

APPRAISAL OF

ROCHESTER STATE HOSPITAL  
Rochester, Minnesota

VALUATION DATE: November, 1981

CUSHMAN APPRAISAL COMPANY  
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November 28, 1981

To: Department of Administration  
State of Minnesota

Attached is an appraisal report covering the property known as the Rochester State Hospital, located in Rochester, Minnesota. This appraisal has been done in accordance with contract #03849 between the State of Minnesota and the Cushman Appraisal Company.

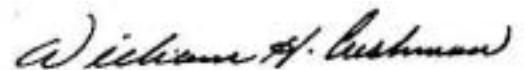
Briefly, the Rochester State Hospital contains about 160 acres of land and 37 buildings, basically divided between a main medical complex and a residential area. The main medical complex and support buildings were designed, built and used for the mentally ill and primarily for in-patient therapy.

It is apparent that the buildings, with a few exceptions, were specifically built and used for a special purpose use which no longer is required. Not only were the buildings constructed for a specific use, they were built in a first class manner and have, with few exceptions, been very well maintained.

Considering the property as a whole, the intent of construction, previous use, condition of improvements, future possible uses and all other relevant material and information, it is my opinion that the entire subject property has a fair market value of \$5,350,000. as of the current date. It should be well understood that this value assumes all of the facets included in the definition of market value outlined in the attached report. The readers attention is directed to that portion of the report dealing with on going maintenance costs and how they may be considered in regard to market value.

The above cited estimate of market value is, in your appraisers opinion, supported by the attached report.

Sincerely yours,



William H. Cushman, MAI

WHC:jc

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ROCHESTER STATE HOSPITAL

Photos taken November, 1981.



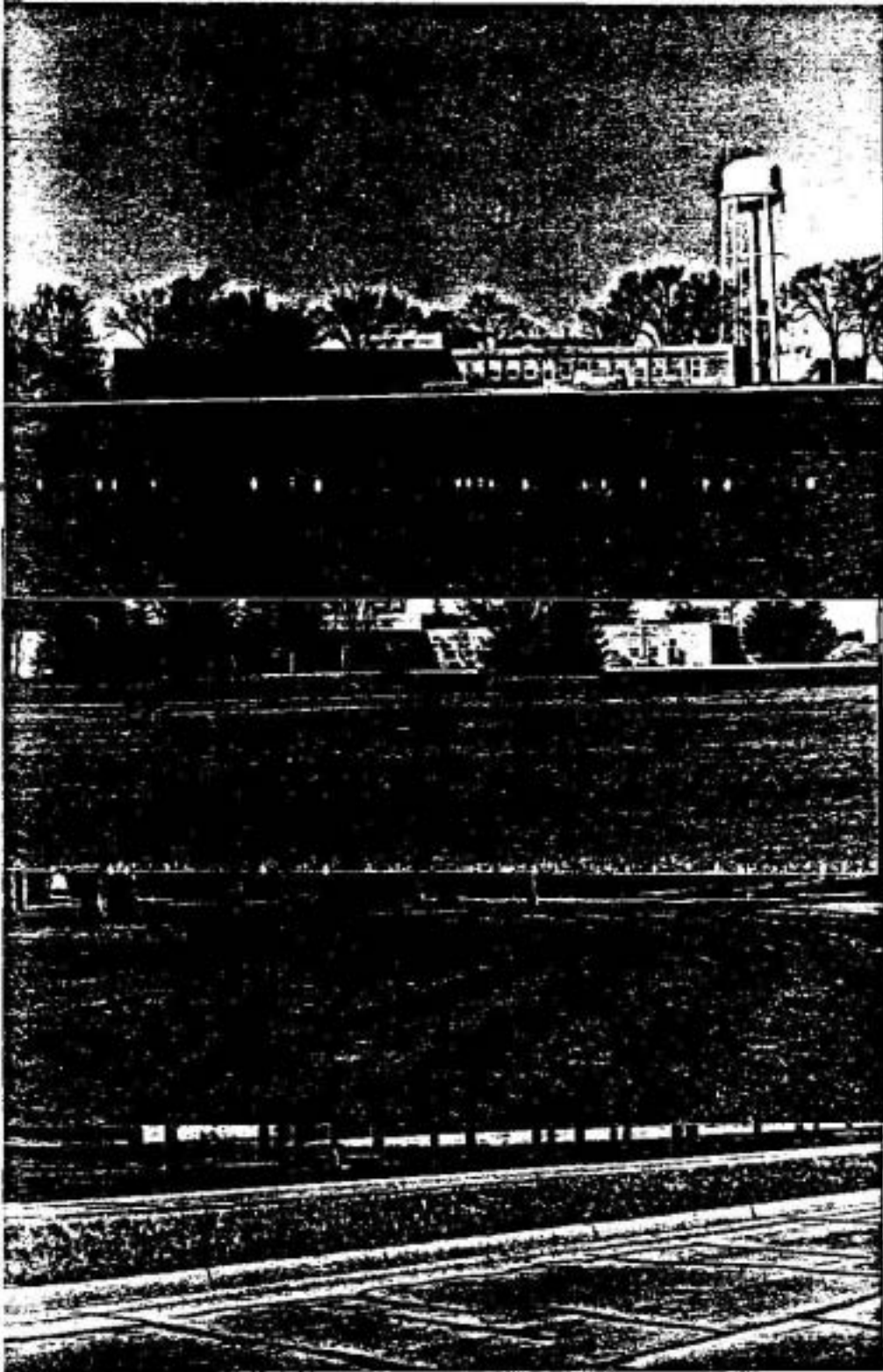
1. Building #1 looking Northeast
2. Building #2 looking Easterly
3. South Side Building (New) 4
4. Building #5 Power Plant looking Northerly

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5. New Shop and Water Tower in background, Buildings Southeast of Power Plant.
6. Greenhouse just East of Power Plant
7. Garages just East of Greenhouse.
8. Sunshine Camp on East side of Grounds.

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- 9. Building #6 looking Northwest
- 10. Building #7 looking Northwest
- 11. Building #8 looking Southeast
- 12. Southside of Building (old) 4

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- 13. North side of Nurses Home West
- 14. Building #9 Administration
- 15. Building #10
- 16. Medical Directors Staff Residence

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17. Staff Residence
18. Looking Westerly across subject tract from near Bldg. #1, houses are across 15th Ave. N.E. from subject.
19. Looking Westerly along Southside of Railroad R.O.W. forming subjects Northerly boundary. Taken from subjects Northeast corner.

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Appraisal of: ROCHESTER STATE HOSPITAL  
ROCHESTER, MINNESOTA

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### Addendum:

Subject Location Map - City of Rochester  
Parcel Layout Sketch Improved Sales and  
Pictures Unimproved Sales and Pictures  
Identified Potential Users Additional  
Zoning Information Building Layout Sketches  
Assumptions and Limiting Conditions  
Appraisers Qualification

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20. Looking Southerly along subjects Easterly boundary from near Northeast corner of subject.
21. Looking Northerly along subjects Westerly boundary from near subjects Southwest corner.

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Appraisal of: Rochester State Hospital

## PURPOSE OF APPRAISAL:

The purpose of this appraisal is to estimate the market value of the fee interest of the subject tract.

Market Value is defined as: The highest price in terms of money which a property may bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated.
2. both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. a reasonable time is allowed for exposure in the open market.
4. payment is made in cash or its equivalent.
5. financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
6. the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

## PROPERTY RIGHTS APPRAISED:

The fee value of the entire tract will be appraised subject to any easements of record.

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## LEGAL DESCRIPTION:

T.107N. ,R.13W.,Sec.31 - that part of the SW 1/4 lying south of the Chicago and Northwestern Railroad. Also, that part of the SE 1/4 of Section 36, T.107N. ,R.14W. lying south of the Chicago and Northwestern Railroad and bounded on the west by the 15th Avenue S.E. and 2nd Street S.E. on the south, containing 160+ acres.

## ROCHESTER AREA:

The city of Rochester has a population of 59,993 with a metropolitan population of 93,823 and a county wide population of 94,400. These are based on 1980 census figures. The median household income was \$21,000 and the median home price was \$65,000, again these are 1980 figures. The city has a daily newspaper, one local T.V. channel plus cable TV which brings in 12 other channels. There are 5 AM radio stations and 7 FM radio stations.

Schools consist of 18 elementary, 3 junior high and 2 high schools, plus 11 non public schools. Other schools include a Vo-Tech, Community College, a Bible College and an extension division of the University of Minnesota.

Major highways serving Rochester are Interstate 90 and U.S. Routes 14, 52 and 63 along with Minnesota Highway 296. The Rochester Airport is the 2nd busiest in Minnesota and in 1980 about 350,000 passengers used this airport, which is served by Northwest, Ozark and Republic Airlines, having a total of 18 daily flights.

Rochester's business community is and- has been spearheaded by its medical facilities, headed by the Mayo Clinic. These medical facilities are staffed by over 11,500 people. Other major employers include I.B.M. - 6,000 employees, Crenlo - 1,100 employees, Libby, McNeill and Libby - 700 employees and Pace Dairies - 330 employees. The total area labor force in 1980 was about 48,000 with about 30% being unionized.

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The main Rochester shopping area is downtown close to the medical clinic. There are also outlying retail trade centers including Apache Mall in Southwest Rochester with 600,000 S.F.; the Miracle Mile on Highway 52 and Crossroads Center on Highway 63. They have a combined total of 160,000 S.F.. There are other smaller centers also. Within Rochester are 4,000 motel and hotel rooms. In 1980 Rochester approached a half billion dollars in retail sales.

In regard to culture, Rochester has a symphony orchestra, civic theatre and an arts center. The public library has 160,000 volumes plus periodicals. About 1800 acres of city land are devoted to recreational areas. Quarry Hill Park is a 215 acre nature center. There are 5 golf courses, a botanical garden and indoor skating arenas.

In general, Rochester is and has been a progressive community with many facilities not normally found in a city its size. The town was developed due to the location of its medical facilities and the city is the retail center of Southeastern Minnesota.

### IMMEDIATE NEIGHBORHOOD:

The subject lies on the east central boundary of the city of Rochester, Minnesota. The property immediately east of the subject is largely vacant except for the D.N.R. Regional Headquarters. To the north across the R.R.R.O.W. is Quarry Hill Park, along the easterly 2/3 of the northerly boundary. A single family residential area is located in the westerly 1/3 and also across from the westerly tract boundary. These homes are generally smaller 2 and 3 bed-room older homes in good repair. This same situation occurs off the subjects Southwest corner across 2nd Street S.W.. Rochester Vo-Tech School is located off the South Central border with Olmstead Community Hospital to the West. Directly south of the easterly portion of the south boundary,

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the 1 and is vacant.

In general then, the subject lies between the somewhat older residential area to the West and the rolling, open area to the east on the east central side of Rochester.

## SUBJECT TRACT:

As indicated the subject tract contains an area estimated at 160± acres. The tract is somewhat irregular in shape due to the location of the railroad right of way on the North side. The long east dimension is about 3,730' with easterly boundary having a north-south dimension, of about 2,250' and the westerly boundary a north-south dimension of about 1,320'. The northerly boundary is formed by the Chicago and North-western Railroad R.O.W., the westerly boundary by 15th Av. S.E. which is a blacktop road with concrete curbs and gutters. This is a residential street with one lane of traffic in each direction. The southerly boundary is formed by 2nd Street S.E. which for most of its length is a double lane road with a center median strip with no curbs or gutters and having a black top surface. The easterly boundary is formed by Silver Creek Road which is a gravel road with one lane of traffic in each direction.

In general, the property is somewhat rolling land generally open, with scattered trees, both deciduous and coniferous in nature. The exception to this is a thicker stand of trees in the single family area in the subjects Southwest corner.

In addition to the buildings, the property is improved with an interior road system mainly blacktop in nature, a portion of which is State Highway 296. Other site improvements include concrete walkways, a small tennis court, baseball backstops and football goal posts. The entire property is well landscaped and well taken care of.

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The readers attention is directed to the addendum of the report for a visual description of the subject tract.

## IMPROVEMENTS:

The improvements on the property were designed, built and used for the mentally ill and primarily for in-patient therapy. At the maximum, the facility housed 2,000 patients.

Following is a brief description of the buildings associated with the subject parcel.

### Main Complex Buildings

#1 . . .Psychiatric Services: This building was constructed in 1958. It has a brick exterior with a flat roof - has tar and pebble material for roofing. The building has a rein-forced concrete frame and has a basement, two floors and a third floor penthouse for the air handling system. The main floor, in addition to the normal rooms has a cafeteria and dining area - food, however, is prepared in building #4. This building has 1 - 4,000 lb. capacity elevator and is connected to the main complex by underground tunnel. There is no air conditioning. All floors are concrete and the finished floors are generally terrazzo and asphalt tile. The walls are glazed clay tile and ceilings suspended. Bathrooms have ceramic tile floors with ceramic tile wainscoting areas with plaster walls and ceilings. The doors and frames are steel. The building has a gross floor area of 90,148 S.F. and the building is in very good repair.

#2 Psychiatric Services: This building was constructed in 1956 and is essentially of the same construction and finish as building #1 and contains a gross floor area of 90,435 S.F.. It has a cafeteria and 1- 4,000 lb. capacity elevator and is also connected to the other buildings in the main complex by underground tunnels. The building has no air conditioning and is in very good repair.

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#3 Religious Center: This building was constructed in 1977. It has a combination flat and modified hip roof. The exterior of the building is brick with a concrete block, concrete and steel frame. The building has 1 story and a basement and has a gross floor area of 13,979 S.F.. The basement contains a large auditorium and the main floor includes two chapels with boxed beamed ceilings and carpeted floors, a library and group room. The floors are all concrete and mainly carpeted on the main floor. There is 1 - 3,500 lb. capacity elevator and the build-is connected to others in the main complex by underground tunnel. The bathrooms have ceramic tile floors, concrete block walls and suspended ceilings. This building is air conditioned and has stained glass windows in steel frames. The building is in very good repair.

#4 Service Building: (New) This building was constructed in 1950. It contains a basement, 3 floors and a penthouse which contains the air handling systems. There is a gross floor area of 98,228 S.F.. The building has a flat roof and exterior brick facing with a reinforced concrete frame and the floors are concrete. The wall areas in finished portions are primarily glazed tile. The building contains 2 - 4,000 lb. freight elevators and 1 - 3,500 lb. passenger elevator. The doors are steel in steel frames. The building is not air conditioned and it is connected to the main complex by underground tunnel .

Included in the basement is a meat freezer and 4 coolers, a kitchen in which food is prepared for the entire complex and a bakery. Those two rooms have clay tile floors, glazed tile walls and metal or plaster ceilings. There are 3 coolers in the kitchen and 1 in the bakery.

The main floor includes a laundry with clay tile floors, glazed tile walls and plaster ceilings. There are 2

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coolers in this floor and shop area. There is a truck loading dock on the south side of the building and a railroad loading dock on the north side. Each has an overhead door.

The 2nd floor includes an unfinished storage area on the east wing with an eating area and other rooms on the west wing.

The 3rd floor contains an unfinished storage area and the 4th floor penthouse contains the air handling system. Bathrooms have ceramic tile floors, glazed tile walls and plaster ceilings. The building is in "very good repair.

#5 Power plant: This building was constructed in 1950. The building has a basement, main floor and mezzanine. The exterior is brick with a flat roof. The frame is concrete and steel. The basement has a concrete floor and walls and concrete ceiling. The main floor has clay tile over concrete and walls are glazed tile. The mezzanine has steel grating and concrete floors. Bathrooms have ceramic tile floors and glazed tile walls with plaster ceiling. This building contains 3 - Bros water tube boilers with 30,000, 30,000 and 35,000 lbs. of steam per hour capacity. The boilers are gas operated with oil back up. Oil is stored in 4 -15,000 gallon tanks buried on the north side of the building. Also included in this building are transformers which receive 13,500 volts. With the exception of a small paint maintenance shop to the north, this power plant furnishes the heat for all the buildings in the main complex and all of the electricity.

This building is connected to the main complex by underground tunnel. The building is in very good repair and contains 26,457 S.F. of gross floor area.

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#6 and #7 These buildings are identical and were constructed in 1948, each has a gross floor area of 38,103 S.F.. The buildings have exterior brick facing over a reinforced concrete frame. The roof is flat. The buildings have a partial basement with one story above plus a penthouse for the air handling systems. The buildings are connected to others in the main complex by underground tunnel. The buildings are not air conditioned and each has 1 - 2,500 lb. capacity elevator.

Interior finishing consists of concrete floors with the main floor having asphalt tile and terrazzo covering. The walls are glazed tile on the wainscoting area with plaster above and accoustical tile ceilings. The door frames are steel with solid core oak veneer foors. Bathrooms have ceramic tile floors, glazed tile walls and plaster ceilings. The buildings are laid out with 3 wings and are in very good repair.

#8 This building is very similar to buildings 1 and 2. It was constructed in 1960 and contains a gross floor area of 90,143 S.F.. The building has central air conditioning, is connected by underground tunnel with others in the main complex and has 2 - 4,000 lb. capacity elevators. The construction is the same as buildings 1 and 2 and there is a basement, 2 floors and a penthouse for the air handling systems.

The main floor includes an eating area and cafeteria. The basement includes an auditorium, theater room and canteen. The building is in very good repair.

#9 Medical Services and Administration Building: This building was constructed in 1950 and contains 3 stories, a basement and penthouse for the air handling system. The exterior is brick over a reinforced concrete frame. The roof is flat and the building is air conditioned and

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contains a gross floor area of 96,116 S.F.. This building is connected to others in the main complex by underground tunnel. There are 2 - 4,000 lb. capacity elevators. Interior finishing consists of concrete floors with the finished floors being either asphalt tile or terrazo. Walls are glazed tile and the ceilings are suspended. Bathrooms have ceramic tile floors with ceramic tile wainscoting with plaster above and plaster ceilings. The doors and frames are steel and there are also 2" maple doors on 2nd and 3rd floors.

In addition to patients rooms, this building contains the administrative offices, dentists office, X-ray rooms with leaded walls and floors, 4 operating rooms supplied with oxygen and nitrous oxide. There is also a cafeteria in the basement. The building is in very good repair.

#10 Community Consulting Center: This building was constructed in 1949 and contains a basement area, 2 floors and a penthouse for the air handling system. The building is connected to the main complex by underground tunnel and it is not air conditioned. There is a gross floor area of 64,048 S.F.. The building has a flat roof and a brick exterior over a reinforced concrete frame. The floors are concrete and the building has 1 - 3,500 lb. capacity elevator.

Interior finishing consists of asphalt and terrazzo floors except in the cafeteria area where there are clay tile floors. The walls are glazed tile on wainscoting area with plaster above and the ceilings are accoustical tile. The doors are steel with steel frames and there are also some 2' thick maple doors. The building is in very good repair.

Service Building 4: (Old) This building was constructed in

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1910 and contains a gross floor area of 40,808 S.F.. The building had been abandoned and was scheduled for demolition. The structure has 3 stories plus basement. It has a gable roof with tile roofing with the 2nd and 3rd floors having an English Tudor affect. The lower portion has a brick exterior and the windows are wood. The building frame is reinforced concrete. The basement has a combination concrete and ceramic tile floor. The doors and frames are both wood and steel. The main floor and 2nd floor have terrazzo and stone floors and there are wood doors and frames. Walls and ceilings are plaster and the bathrooms have ceramic tile floors with stone wainscoting and plaster above and plaster ceilings. The 3rd floor is unfinished.

The building appears sound structurally but the interior is in poor repair and there are broken windows. This building has underground tunnel connections to the other buildings in the main complex but they have been sealed off.

West Home: This building was constructed in 1929 and is of the same design and construction as the above building. It is currently being used as living quarters. The building contains a gross floor area of 29,844 S.F. and is connected to the other buildings in the main complex by underground tunnel. The building has 3 floors with basement. The basement has a concrete floor with plaster walls and ceilings. The doors and frames are wood. The main floor is wood and includes a living area which has a carpeted floor, boxed beam ceiling and brick fireplace. The 2nd and 3rd floors have wooden floors and are divided into sleeping rooms. The building appears structurally sound and is in fair repair.

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The above then completes the buildings involved in the main complex which have a total gross square foot area of 716,417 S.F.. The tunnels which connect these buildings, average 5-8' in width and have a height of 10'. These tunnels are of concrete construction and they carry the heating and electrical wires to all buildings in this complex. Excluding the tunnels through the building area, the system is about 1800' long.

The main complex buildings except for old Service Building 4 and the Nurses Home have been and continue to be maintained in an excellent condition. The construction of these buildings was of first quality and with the maintenance they have received, they are in very good repair.

### Heating for the Complex:

Heat for all buildings is provided from the main power plant which produces super heated steam at a temperature of 600°F.. The heat is distributed through the underground tunnel system. All buildings in this complex except old Service Building 4 and the Nurses Home meet all standards of retro fitting and energy conservation. Air handling systems are on timers and there are thermo pane windows on all buildings except 6 & 7 above, which have combination storms and screens and except old Service Building 4 and the Morses Home which have wood storms and screens.

### Electricity for the Complex:

The power plant receives 13,500 volts into their transformers and each building has its own transformer vault which is fed 3,300 volts stripped down to 208 and 110 volt service. The lines run through the tunnel system. There is also a complete emergency backup lighting system.

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## Sewage:

The City of Rochester provides sewer service to the entire complex.

## Water:

Provided by a well system on the property, there are 2 wells, #1 is located adjacent to new Service Building 4 and #2 is located easterly of Power Plant Building 5. Well #1 is the only operable well and is capable of pumping 18,000 gallons per hour. The well has a depth of 340' with a 10' cement grouted casing. Well #2 is 854' deep and has recently been worked on and the equipment refurbished but is still inoperable. There is a steel 110' water tower with a 200,000 gallon capacity for water storage.

## Support and Outbuildings:

These buildings are all situated in and around the area of the Power Plant (bldg.5) except for Camp Sunshine which is at the northeasterly corner of the subject property.

Shop Building - This is a one story building constructed in 1979 and it contains 2,987 S.F.. The roof is flat and the exterior is decorative concrete block. The floor is concrete and the framing for the roof is steel. The building has electricity and 4 overhead doors. The building is in very good repair.

5 Stall Garage - This is an older one story brick garage with a gable roof with composition shingles and a concrete floor. The building has electricity and there are 5 overhead doors. The building is in good repair and contains 1,050 S.F..

Greenhouse - Another older building with partial basement constructed of reinforced concrete glass and steel. The building is heated and has electricity and water. The office area has a concrete floor, there is a bathroom

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and office portion. The 3 main greenhouse areas have a combination dirt and concrete floor. The building is in fair repair and has a gross floor area of 7,626 S.F.

Double Garage - An older wood frame garage with a hip roof. The foundation and floor are concrete, there is electricity, 2 overhead doors and 480 S.F. of floor area. It is in fair repair.

Garage - An older wood frame building with a gable roof, a concrete floor and gross floor area of 494 S.F..

Water Tower - A steel 110' tower with 200,000 gallon capacity.

Garage - An older wood frame shed with a gable roof. It has a concrete foundation, electricity and a floor area of 216 S.F. and is in fair repair.

Lumber Shed - Another older metal clad building with a gable roof and concrete block foundation. It has a sliding door and electricity. It has a gross floor area of 1,804 S.F.

Paint Shop - This is a one story brick faced building with a steel frame. It has a concrete foundation and floor, the roof is flat and there are glass block windows. This is an older building with electricity and its own heating plant. The building has a gross floor area of 1,320 S.F..

Cooling Tower - This is a metal and wood structure with 1,248 S.F. of gross floor area and it is inoperable.

25 Stall Garage - This is an older wood frame structure having 25 individual garage units with 25 overhead doors. The foundation and floor is concrete. The building has 5,000 S.F. of gross floor area. It is in fair to poor repair.

Pump House Well #1 - This is an older one story brick and block building with a concrete floor and a gross floor area of 247 S.F.. The building is older, has electricity and is in fair repair.

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Pump House Well #2 - This is essentially the same as #1 above except it only has a gross floor area of 204 S.F.. Two other buildings having a gross floor area of 910 S.F..

Camp Sunshine - This building was constructed in 1978 and contains a gross floor area of 988 S.F.. It has a gable roof with composition shingles and the building is of frame construction with vertical board and batten siding. There is one overhead door, the building has electricity and a fireplace but is not finished inside. The floor is concrete and the building is in fair repair.

Underground storage tanks: There are 4 - 15,000 gallon oil tanks buried behind the Power Plant.

The total gross floor area of the support and outbuildings totals 24,574 S.F.

### Residential Buildings:

The residential buildings include the administrators home, assistant administrators home and 6 staff homes currently being used as a site for alcoholic rehabilitation. Each of these residences will be described briefly.

Administrators Home - This is a 2 1/2 story structure with attached 2 car garage with servants quarters above. The home has exterior brick and stone siding and a gable roof with composition shingles. The garage has wood siding and a gable roof with composition shingles. The building was constructed in the middle 1930's. It has a full basement with only one room completely finished. This room includes a fireplace. The walls of the basement are concrete block and there are floor drains. There is a central gas fired, forced air furnace and the home is air conditioned.

The main floor contains a kitchen, dinette, dining room,

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foyer, study, living room and bathroom. All floors are hardwood with congoleum flooring in the kitchen and carpeting in the rest of the rooms. Walls and ceilings are plaster and the wood trim is painted. There is a fireplace in the living room and the bathroom is full, having ceramic floor and wall tile.

The stairway to the 2nd floor is carpeted. Rooms on the 2nd floor include 3 bedrooms, a study and two bathrooms. The floors are hardwood, walls and ceiling plaster, and the trim is painted. The bedrooms have closets and both bathrooms are full sized with ceramic floors and walls.

The attic on the 3rd floor is unfinished and the quarters above the garage include a sleeping room, closets and full bathroom.

There is a sunporch on the east side of the home with a sun deck above. The home is in good repair and contains a gross floor area of 4,756 S.F. including garage.

Assistant Administrator's Home - This is a one story rambler of frame construction with attached single garage constructed in 1949. The home has a gable roof with composition shingles, metal siding and gutters and downspouts. The house has a full basement with two partially finished rooms. The main floor has a kitchen, combination living and dining room, 3 bedrooms and the equivalent of two full baths. The interior walls and ceilings are plaster and the floors are hardwood with the majority carpeted. There is a fireplace in the living room with imitation brick. All the bedrooms have closets and the main bath has ceramic floors with plaster walls and ceilings. The second bath is divided between 2 rooms with the first containing the lavatory and toilet and the other the tub. This home is heated by a central gas forced air furnace. The home is in fair repair and contains a gross floor area of 3,531 S.F. including garage.

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Staff Houses - These are 6 homes (one is used as an office), all constructed in 1949 and one story frame rambblers. Four of the homes (1604,1612,1614 and 1616) are 3 bedroom with the same floor plan and each contains a gross floor area of 2,590 S.F.. The other two homes (1608 and 1610) have two bedrooms and each has the same floor plan and is the same size containing a gross floor area of 2,169 S.F.. The homes are all of the same construction with the exterior having wood siding, gable roofs with composition shingles and having gutters and down spouts. Each has an attached single garage.

Basements are full, with concrete block walls, concrete floors with drains and not finished. The main floors are hardwood with some carpeting and the walls and ceilings are plaster. Each has 1 full bath with ceramic tile flooring and ceramic tile around the tub area. The trim is softwood and has been varnished. The homes are in fair repair. The total gross floor area of the 6 homes is 14,698 S.F. including garages.

The gross floor area of all homes, garages and porches is 22,985 S.F..

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### HISTORY AND CURRENT USE:

The Rochester State Hospital is one of five regional hospitals in Minnesota that was used for the care of the mentally ill. The facility was designed primarily for in-patient therapy. The major expansion program of facilities was undertaken in 1948 and completed about 1960. At its peak the patient population at the facility was about 2,000. Recently the facility has been considered under-utilized and the State Legislature closed the facility.

Due to the above action, a group was formed in the Rochester area to, among other things, try to find alternative uses for the subject tract. This group is called "Rochester State Hospital Task Force". One of the steps taken by this task force was to advertise the property in the Wall Street Journal to see what interest, if any, there was in acquisition of the tract. About 20 inquiries were received but none were substantive. In addition, a number of inquiries were made by many publicly funded agencies who expressed interest in the property as partial users. These agencies are noted in the addendum of the report.

With minor exception then, the property currently is standing idle and has been since it was closed earlier this year by the State Legislature.

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## ZONING:

The entire property is zoned R-2. It is my understanding that the Rochester State Hospital was in place prior to the time zoning was initiated but that it would now fall within the R-2 zoning classification. Following then are the regulations as they pertain to R-2 zoning:

The entire Rochester State Hospital campus and grounds presently lie in the R-2 (Low Density Residential) Zoning District. By applying the conventional land use regulations outlined by Chapter 66, the R-2 zoning district allows certain uses outright, and which do not require any public hearings for the establishment of the use. Quoted below are those uses:

"66.301 INSTITUTIONAL AND CULTURAL: Churches and other places of worship, including Sunday School buildings, day care centers, public libraries, public museums, public art galleries and similar cultural uses, provided that no such building shall be located less than twenty-five(25) feet from any other lot in any R-district; schools and colleges for academic instruction, provided that no such building shall be located less than forty (40) feet from any other lot in any R- district."

"66.302 RECREATIONAL: PUBLIC AND QUASI-PUBLIC: Public parks, playgrounds, recreation and community center buildings and grounds; golf courses, country clubs, tennis courts and similar recreational uses, all of a non-commercial nature; provided that any principal building uses therefore shall be located not less than forty(40) feet from any other lot in any R-district."

"66.307 PUBLIC BUILDINGS: Municipal, county, state and federal administrative buildings; warehouses, garages, storage yards and shops that are owned and operated by municipal, county, state or federal agencies provided that such use is located not less than two hundred (200) feet from the lot

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line of the nearest residential lot."

Also included as outright permitted uses in the R-2 district are single family dwellings, duplexes, triplexes and four-plexes on varying lot sizes.

Other uses require the issuance of a conditional use permit, which requires that either the Rochester Planning and Zoning Commission or Common Council hold a public hearing before the uses would be permitted. These uses include:

"66.310 INSTITUTIONAL AND CULTURAL: Any hospital for human care, religious and charitable institutions, supervised living facilities with over 16 persons in residence and other similar uses, provided that (1) any lot or tract of land in such use shall be not less than twenty thousand (20,000) square feet in area, and (2) any buildings in which patients or clients are housed shall be at least fifty (50) feet distant from any lot line."

"66.312 CLUBS: Clubs, fraternities, lodges and meeting places for other organizations, not including any use that is customarily conducted as a gainful business."

"66.319 SUPERVISED LIVING FACILITY: Any supervised living facility for the developmentally disabled, children, the aged or the mentally ill; provided that the facility is family-like in character as determined by (1) family-style appearance of building, (2) central housekeeping, (3) designated adult(s) in charge at all times, (4) a maximum number of six clients in the R-Sa, R-Sb and R-1 districts and ten clients in the R-2 and R-3 districts and (5) the total number of persons in a facility not to exceed the number of clients plus two designated adults." (This provision would be used if a small lot was subdivided out of the large parcel.)

Planned Unit Development. The planned unit development is a land use tool which adds flexibility in the development of

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land other than those which are allowed through conventional R-2 zoning. A planned unit development may include a mixture of residential, commercial, industrial and institutional uses, or any combination thereof. Quoted below is the purpose of the planned unit development as stated in the zoning code:

"64.100 PURPOSES: The planned unit development (PUD) provisions are intended to encourage: a) more efficient use of land and public services and b) greater amenity by allowing, under certain circumstances, a more flexible means of land development and redevelopment than is otherwise permissible under the lot-by-lot restrictions of each use district. The uniqueness of a planned unit development may necessitate council action modifying or waiving certain provisions of the zoning code, except Chapter 64, and subdivision regulations. Planned unit development is conceived for use primarily in two basic situations:

- a. Vacant Land: Area of substantial open land where strict preregulation may limit good urban design, may restrict the full achievement of the comprehensive guide plan or may not meet those changes in technology and demand that would be consistent with the best interests of the entire city; and in
- b. Built-Up and Aged Areas: Areas of the city needing rehabilitation and redevelopment, including areas which may be deficient in public facilities and services, where it is believed that private investment should be encouraged to contribute to that redevelopment; and in recognition that such necessary redevelopment cannot be expected to take place in strict accordance with those uniform regulations appropriated to more viable and established areas of the city."

If the planned unit development provisions were applied to this property, the floor area devoted for residential uses could be up to .53 of the land area. For example, if 40

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acres of the property were to be developed residentially under a planned unit development, approximately 923,000 square feet of residential floor area would be permitted (land area X .53 = maximum allowable floor area) or 40 acres X .53 = 923,472 square feet. The permitted non-residential uses such as private offices, commercial buildings and industrial uses, can be up to 4 percent of the land area. Thus, on a 40 acre site, approximately 70,000 square feet of floor area could be devoted to a non-residential use.

Special Districts. In August of this year, the City or .. Rochester adopted a new land use tool to again allow for more flexible means of land development and redevelopment in areas of the city. This special district has not been applied to any specific property as of yet, but its purposes are spelled out in Paragraph 64A.100, which is quoted below for your information:

"64A.100 PURPOSES: It is the finding of the Council that regulations are necessary to permit the creation of special zoning districts in order to promote the public health, safety and general welfare by allowing for a more flexible means of land development and redevelopment in areas of the City of special public interest. The purposes and the conditions creating the desirability of such regulations are determined to be as stated in this section:

- a. Areas exist in which there lies a special and substantial interest in protecting the existing or proposed character; the view or view of, through, or from the area; or unique geological, ecological, archeological or social characteristics.
- b. Areas surrounding individual buildings or groups of buildings or their grounds or other man-made features exist in which there lies a special and substantial public interest in protecting such buildings or features and their environs.

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c. Areas may exist where substantial public interests require that existing zoning regulations be modified or supplemented to accomplish a special public purpose."

By applying the Special District provisions, the developer would have to convince the City that his proposed redevelopment of this property would meet any of the above conditions.

Located in the addendum of the report are the building code requirements on any proposed alternate use of the existing State Hospital buildings contained in a letter from Donald Wees of the Rochester Building Department.

### COURTHOUSE INFORMATION:

The property is state owned and obviously is not taxed. However, the County Assessor has an estimated market value on the entire property which is current. The property has been given the following plat and parcel numbers: 05-5141-100; 05-5280-28301; 05-5280-28301; 05-2846-28303 and 05-2846-28302. The total market value is estimated at \$18,696,415. with the land at \$1,468,028 and the buildings at \$17,228,387.

After a conversation with the assessor, his feeling was that the property if continued in use for the purpose for which it was constructed, would have a value of about \$18,000,000. His basis was reproduction cost new, less depreciation.

### UTILITIES:

Water: There are two provisions for water, with the first being the well system previously described. The water is distributed to the main complex and also to the residential area primarily via 4 and 6" mains with a few 8" mains. This system is state owned. The city has an 8" main which runs to a point southeast of the residential area and is connected to the state system at this point by means of a valve. In case the state well system fails, the valve can be opened

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and city provided water, used. Recently the city also ran a 12" main just westerly of building #1. This new main runs north and south, however, it is not connected to the state system.

Sanitary Sewer: The city provides sanitary sewer service to the subject. A 12" main enters the subject from the west and loops around both the main complex and the residential area providing service to these buildings.

Storm Sewer: The city has provided 18" storm sewers to both the residential and main complex areas. This water is drained north of the railroad right of way on the subjects northerly boundary.

### SOILS:

The 3 major soil types on the subject are: Dickinson sandy loam in the northwest area; Waukee loam on the east and southwest portions and Lawler loam on the southeast part. Slopes on the subject are generally less than 2%.

Dickinson sandy loam: This is described as a level, well drained soil, on broad outwash terraces with moderately rapid permeability and low available water capacity. Most areas of this soil are farmed. The soil has fair potential for building site development but poor potential for most sanitary facilities. It can support buildings, local roads and streets but the sides of shallow excavations can cave in,

Waukee loam: This is a nearly level, well drained soil, found on stream terraces. Permeability is moderate in the upper part of this soil and very rapid in the underlying material. Available water capacity is moderate and runoff is slow. The soil has good potential for cultivated crops and building site development and poor potential for most sanitary facilities. The side of shallow excavations can be unstable.

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Lawler loam: This is a level, somewhat poorly drained soil on stream terraces with moderate permeability in the upper part and rapid permeability in the lower part. The soil is well suited to pasture and poorly suited to building site development and sanitary sewers. Buildings with basements will require drainage such as with tile. Local roads, streets and parking areas can be damaged by frost action.

There are about 48 acres of the Dickinson soil, 82 acres of Waukee, 13 acres of Lawler, with the balance being underlain by other minor soils. The subject building areas are mainly underlain by the Dickinson and Waukee soils.

Generally, what we have then, is a fairly level tract, underlain by soils suited to building development but which require other than on lot sewer systems. The soils may cave in without some foundation adjustments such as retaining walls or other support.

### ACCESS:

Access to the property can be accomplished from 15th Avenue S.E. on the west, 2nd St. S.E. (College View Road) on the south and from Silver Creek Road on the east. No access is available from the north due to the railroad right of way. There are interior roads from the above mentioned streets through the subject. These are mainly bituminous surfaced. In addition to the roads, there is a railroad spur leaving the main railroad right of way in the subjects northeast corner and running southwesterly, terminating at the west end of building 4 (new) which is the service building. All interior roads, walks and parking areas are state owned and maintained.

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## MAINTENANCE COSTS:

Based on information provided by administration people at the Rochester State Hospital, the yearly maintenance required to sustain the complex in a shut down condition, would be \$746,000. per year. This would include payment for a minimum staff of 13 people. Other costs included would be heat, electricity, building repair and grounds maintenance. With a gross building area of 763,976 S.F. this minimum yearly maintenance amounts to about \$1.00 per S.F. of gross floor area. Obviously no real estate taxes are included in this figure.

## HIGHEST AND BEST USE:

This is best defined as that "legal, likely, most profitable use to which a property may be put." This then is divided into land and buildings uses.

### Buildings

Main Complex -

What we have here are 11 major buildings plus a church type building and several support type buildings which contain a total of 740,991 S.F. of gross floor area. In addition, all of the main complex buildings receive their heat and electricity from the Main Power Plant and there is an on lot well system providing water to this complex. Further the main complex buildings were designed, constructed and used for an in-patient mentally retarded hospital treatment center.

After a review of the Task Force's efforts we find there is little or no substantial interest for acquisition of the tract in its entirety and that the City of Rochester, even though being a world renowned medical center, has no need for additional medical facility such as the subject. We also find that there is interest in using a portion of the property - land and/or buildings, by

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several entities, all of which are public in nature. However, all lack the financial backing to acquire the tract and they would or could only pay less than market rents for use of building or ground space. These facts coupled with the location of the facility in a community of about 94,000 people gives a classic example of a special use property whose use is no longer required, resulting in a substantial diminution of use and also of value, from the cost to build a similar complex.

### Residential Complex -

These single family units are located in the Southwest area of the entire tract, adjacent to a residential neighborhood. By themselves, they could be used for single family dwellings, much the same as the adjacent dwellings on private property.

Taken together, the improvements would be used for a much lesser use than originally intended. This use is limited to a great degree by the sheer number of improvements and obviously by the gross S.F. of floor area. It should also be kept in mind that the appraisal is based on the sale to one buyer who would most likely be buying for an alternate use. After acquisition rentals could be made for public use of some buildings such as detox or half-way house centers if these uses were compatible. Sales of some individual buildings could also occur from the single total buyer. However, any sales program would have to include some service type of entity such as an owners association to provide maintenance of grounds, roads, power plant and other items used jointly.

In regard to the use of the buildings for office space, it should be pointed out that the following situation is currently developing in Rochester. Either currently, or within the next several months, about 179,000 S.F. of office space in the City of Rochester will become avail-

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able for rent. This includes over 100,000 S.F. in one building currently used by I.B.M., 10,000 S.F. in the Stevens Building, the top 4 floors of the new Northwestern Bank Building and from 6,500 to 10,000 S.F. in 3 other buildings. This alone is more than the Rochester area can not absorb.

The other main drawback to any future use of the improvements is the zoning code currently in operation. The zoning on the property is listed elsewhere in the report. Basically the zoning code allows the following uses in areas zoned R-2 without conditional use, special use or some other approval by the city council, whose approval is entirely speculative in nature.

1. Institutional and cultural which includes churches, day care centers, libraries, public museums, public art galleries and other similar uses.
2. Recreational which include public parks, playgrounds, community centers, golf courses, country clubs, tennis courts and similar uses of a non commercial nature.
3. Public buildings including municipal, county, state and federal for administrative, warehouse, garage, storage yard and shops, owned and operated by the above public agencies.
4. Single family, duplexes, triplexes and fourplexes on varying lot sizes.

It would appear then that the highest, and best use of the buildings in total is an alternate use running largely to public use for office space, perhaps minimum correctional facilities, detox centers and related uses. Ultimately one buyer would sell off single buildings or perhaps an entire complex (Residential, for instance) assuming a working agreement with regard to utilities could be made.

### Land Area

The land area of about 160 acres and zoned R-2 contains

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portions which currently are superfluous to the existing uses and are either lying idle or used for recreational purposes by the city. Based on the zoning, past use and future potential uses, the land has only two uses, that use similar in nature to its current use by a public agency or for residential purposes by removal of the existing non-residential structures. In terms of value of the land, it would be the same for either use.

To say the least, any projected highest and best use of this property, would be quite speculative, due to the nature of the buildings, number and amount of S.F. area, their purpose of construction, the large ground area, zoning codes and the current state of the economy. Therefore, the above statement of highest and best use for the property is the best judgment I can make.

It should also be pointed out that the market value concept considers," a reasonable time is allowed for exposure in the open market." A reasonable time for sale of this entire property, would be several years - as an example, sale 4 attached, took 3 years to sell. This was the Bethel College site including several buildings and 180,000+ S.F. of floor area. During the three year period, costs for heat, lights and maintenance were on going.

If we were to assume a piece meal sale of the subject, the liquidation period may be considerably longer.

## ESTIMATE OF MARKET VALUE:

The three most generally accepted ways of appraising property are the Cost, Income and Market approaches. In the cost approach, the cost of reproducing the improvements is estimated and then depreciation from all sources is deducted. The depreciated value of the improvements is then added to the land value to arrive at an estimated value. The income approach capitalizes the net income stream into an estimate

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of value. In the market approach, sales of properties are compared to the subject and adjustments are made where the appraiser considers them to be reasonable and realistic.

In the appraisal of the subject, the cost and income approaches will not be used due to the following reasons; In the cost approach, the difference between the reproduction cost of the improvements and their depreciated values, is so great (85-95%) as to make this approach largely a mathematical exercise only. The large depreciation amount is due to functional factors and superadequacy of construction built into the improvements for their special purpose use.

At the present time and over the life of the improvements, they have been owned and operated by the state and no rentals were paid except on small portions of some buildings and land areas, rented at nominal figures. Therefore, rentals would have to be estimated for all space that could conceivably be rented, if there were a market for all available space. While this could be done, it would be quite speculative on your appraiser's part as to what could and what could not be rented. Remaining then is the market approach.

In the market approach an attempt has been made by your appraiser to locate reasonably recent sales of large properties in the general area of Minnesota or its neighbors involving special use properties. In this regard the special use properties have been sold for a use different than which they were originally constructed and which would show a large degree of functional obsolescence such as the subject will show.

Attached then, in the addendum, are 6 sales of larger properties in Minnesota and Wisconsin, which were constructed with one purpose in mind and after being used for that purpose, were sold for other uses. The degree of difference in their uses, differs from property to property. Sales 1, 2 and 3 were originally constructed for air force use and

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were later acquired for substantially different uses as might be expected. In addition, sales 1 and 2 were near communities much smaller than Rochester - particularly in regard to sale 1. Sale 4 was the sale of the Bethel College Campus which was purchased by the U.S. Government for use as a job corp center which was probably the least dissimilar use of the existing facility than the other sales. Sale 5 was the sale of a former hospital near the downtown area of St. Paul, which future use was to be for conversion to condominiums. Sale 6 is the sale of a former high school in the downtown area of St. Paul, which future use was to be for a power plant or for use by the State Historical Society, It should be noted that sales 1, 2 and 3 were sold originally on a sealed bid basis.

Armed then, with the preceeding information and the sales referred to, your appraiser has made an attempt to compare the sales to the subject and adjust each sale with what I feel are reasonable adjustments.

# SALES COMPARISON CHART

| Sale #  | 1                        | 2                    | 3                      | 4                      | 5                      | 6                        | Subject                |
|---|--------------------------|----------------------|------------------------|------------------------|------------------------|--------------------------|------------------------|
| Sale Date   | 7/5/1977                 | 11/18/1980           | 3/23/1981              | 11/1977                | 1/1980                 | 6/1978                   |                        |
| Sale Location   | Osceola,<br>Wisconsin    | Antigo,<br>Wisconsin | Duluth,<br>Minnesota   | St. Paul,<br>Minnesota | St. Paul,<br>Minnesota | St. Paul,<br>Minnesota   | Rochester<br>Minnesota |
| # Acres   | 82±                      | 43.22                | 100±                   | 8.8                    | 3.17                   | 4.03                     | 160±                   |
| Zoning  | Ag                       | Ag                   | Ag                     | R-4                    | RM-2,RT-2              | OS-1                     |                        |
| Original Use  | Air Force<br>Base        | Air Force<br>Base    | Air Force<br>Base      | College                | Hospital               | High Sch.                | Hospital               |
| Gross S.F.<br>Floor Area  | 138,107                  | 90,060               | 78,176                 | 189,362                | 89,387                 | 135,622                  | 763,976                |
| # Buildings   | 60                       | 25                   | 36                     | 8/ .                   | 1                      | 1                        | 37                     |
| % Floor Space SFD   | 22%                      | 10%                  | -                      | -                      | -                      | -                        | 3%                     |
| # SF Dwellings  | 27                       | 9                    | 0                      | 0                      | 0                      | 0                        | 8                      |
| Gross S.F. of<br>SFD  | 30,292                   | 9,267                | 0                      | 0                      | 0                      | 0                        | 22,976                 |
| Own Power Plant   | yes                      | yes                  | yes                    | yes                    | yes                    | yes                      | yes                    |
| Own Sewer System  | yes                      | yes                  | yes                    | no                     | no                     | no                       | yes                    |
| Own Water System  | yes                      | yes                  | yes                    | no,                    | no                     | no                       | yes                    |
| Reason Sold   | surplus                  | surplus              | surplus                | surplus                | surplus                | surplus                  | surplus                |
| Reason Purchased  | Sell off<br>parts @ Prof | speculation          | probably<br>ware house | Job Corps<br>center    | condominiums           | Power plant or<br>office |                        |
| Sales Price   | \$405,005.37             | \$304,000.           | \$360,000.             | \$1,820,000.           | \$600,000.             | \$2,177,700              |                        |
| Sales Price Per<br>S.F. Gross Floor<br>Area (Includes 1<br>and) | \$2.93                   | \$3.38               | \$4.60                 | \$9.61                 | \$6.71                 | \$16.06                  |                        |
| Estimated Land<br>Value   | \$ 49,200.               | \$ 30,250.           | \$ 50,000.             | \$440,000.             | \$237,750.             | \$604,500.               |                        |
| Estimated Bldg.<br>Value  | \$355,805.37             | \$273,750.           | \$310,000.             | \$1,380,000.           | \$362,250.             | \$1 ,573.200.            |                        |
| Estimated Bldg,<br>Value / S.F.                                 | \$2.58                   | \$3.04               | \$3.97                 | \$7.29                 | \$4.05                 | \$11.60                  |                        |

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## ADJUSTMENTS BASED ON PRICE PER S.F. GROSS FLOOR AREA

| Sale #  | 1      | 2      | 3      | 4      | 5      | 6       |
|---|--------|--------|--------|--------|--------|---------|
| Sales Price Per S.F.<br>Gross Floor Area plus<br>Land       | \$2.93 | \$3.38 | \$4.60 | \$9.61 | \$6.71 | \$16.06 |
| Time  | 1.26   | 1 .06  | 1 .04  | 1.24   | 1 .11  | 1.20    |
| location  | 1 .30  | 1.25   | -      | .85    | .95    | .75     |
| Land Value  | 1 .30  | 1 .30  | 1.15   | .85    | .90    | .70     |
| Building Quantity<br>& Quality                              | 1 .10  | 1.10   | 1.15   | .80    | .95    | .85     |
| Factor  | 2.34   | 1 .89  | 1.38   | .72    | .90    | .54     |
| Adjusted Value per S.F.<br>of Gross Floor Area<br>plus Land | \$6.86 | \$6.39 | \$6.35 | \$6.92 | \$6.04 | \$8.67  |

The adjustments shown above are your appraisers judgements regarding what I feel are the significant differences between the subject and each of the sales. The adjustment for time is based on an increase of 1/2 of 1% per month for each. At times during the interim between sales date and now, this increase would have been substantially larger, such as in 1979 and more recently it would be substantially less. The location factor considers two things - the first being the size of the community and the second being the location within that community. The land value adjustment is a per unit adjustment (per acre) within the framework of the value per S.F. of gross building area including land. The adjustment for buildings considers both the volume of floor space and its quality. As an example, the quality of buildings on sale 4 and those of the subject are probably quite close taken overall. However, the subjects total floor space is substantially greater, which results in a negative adjustment.

Therefore, after making these adjustments, the resulting adjusted value per square foot of gross floor area, plus land, ranges from \$6.04 - \$8.67, it is my feeling that sales

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2 and 4 are the most comparable at \$6.39 and \$6.92 per S.F. of gross floor area plus land and that a figure of \$7.00 per S.F. would be reasonable for the subject.

Based then on this approach to value, the entire subject tract, land and buildings, is estimated to have a value of (\$7.00 @ 763,976 S.F. = \$5,347,832), say \$5,350,000. Based on the attached sales of land, with adjustments, the value per acre is estimated at \$7,500 or a total of (160 @ \$7,500) \$1,200,000. The breakdown between land and buildings is as follows:

|               |                            |
|---------------|----------------------------|
| Total Value - | \$5,350,000.               |
| Land          | 1,200,000 (\$7,500 / acre) |
| Buildings     | 4,150,000 (\$5.43 / S.F.)  |

It can not be stressed to strongly that the above estimate of market value is based on the definition of market value as set out previously in this report, which definition assumes a reasonable time for exposure in the open market and that payment is in cash or its equivalent. Cash or its equivalent is self explanatory, a reasonable time for sale would be a 3 - 5 year period. As an example, sale 4 required 3 years before the property was sold in one unit.

Considering this and realizing that in a shut down state of operation, the property costs \$746,000 in annual expense, the present worth of \$746,000 annually at 12% interest is as follows for:

|           |                     |              |
|-----------|---------------------|--------------|
| 3 years - | \$746,000 @ 2.402 = | \$1,791,892. |
| 4 years - | \$746,000 @ 3.037 - | \$2,265,602  |
| 5 years - | \$746,000 @ 3.605 = | \$2,689,330  |

What this means then, is that if a four year period were required to sell the property as is, to one buyer and maintenance costs of \$746,000. per year were incurred it could be sold today at: \$5,350,000-\$2,265,602 or \$3,084,398 -say \$3,100,000 at no loss to the state.

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## INSPECTION:

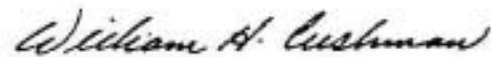
This property was inspected several times during the month of November, 1981 by your appraiser.

## ESTIMATE OF MARKET VALUE:

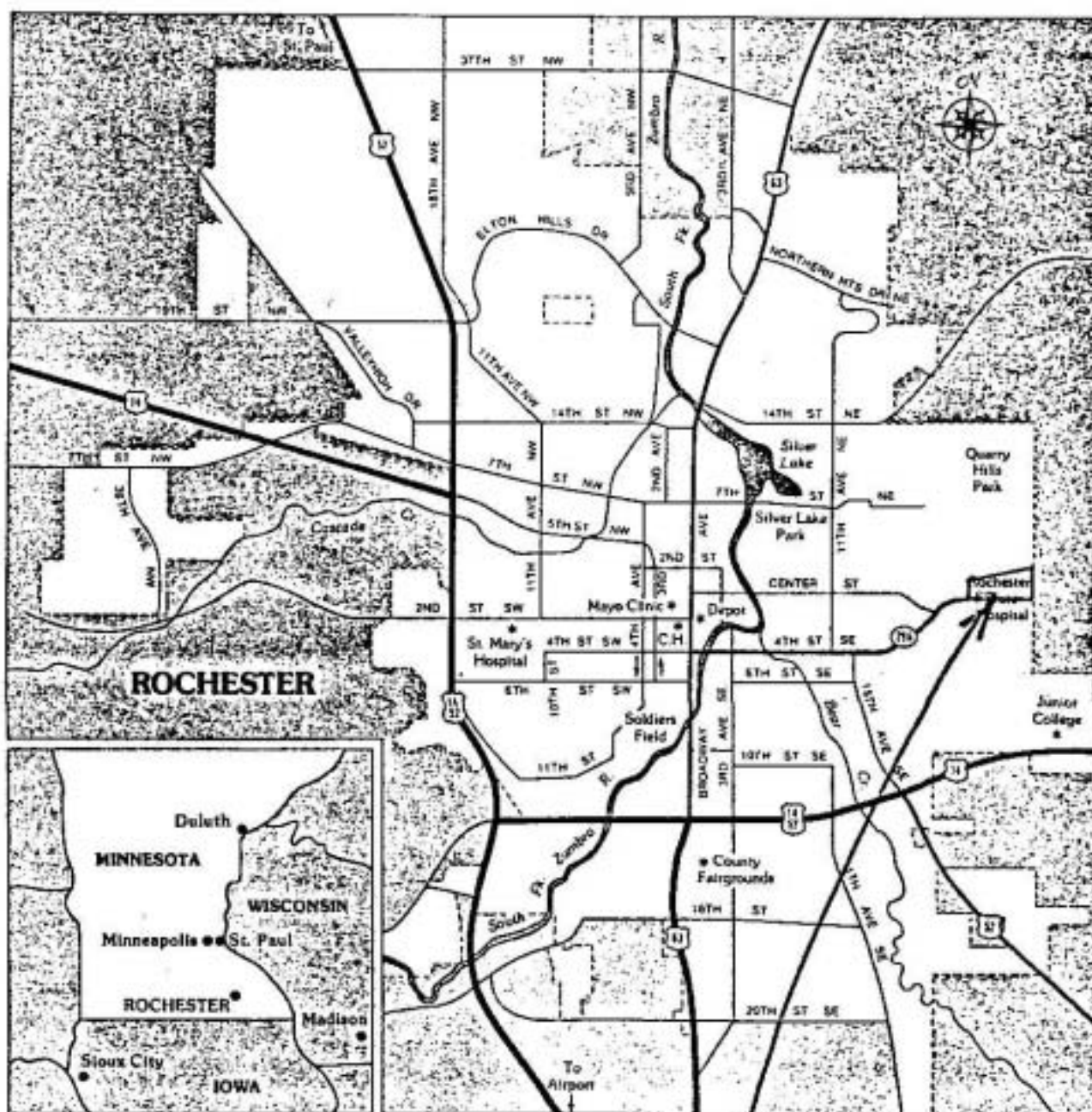
Based on all of the foregoing information and that information contained in the addendum of the report, it is your appraisers conclusion that the fair market value of the subject tract is \$5,350,000.

FIVE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS.

Respectfully submitted,

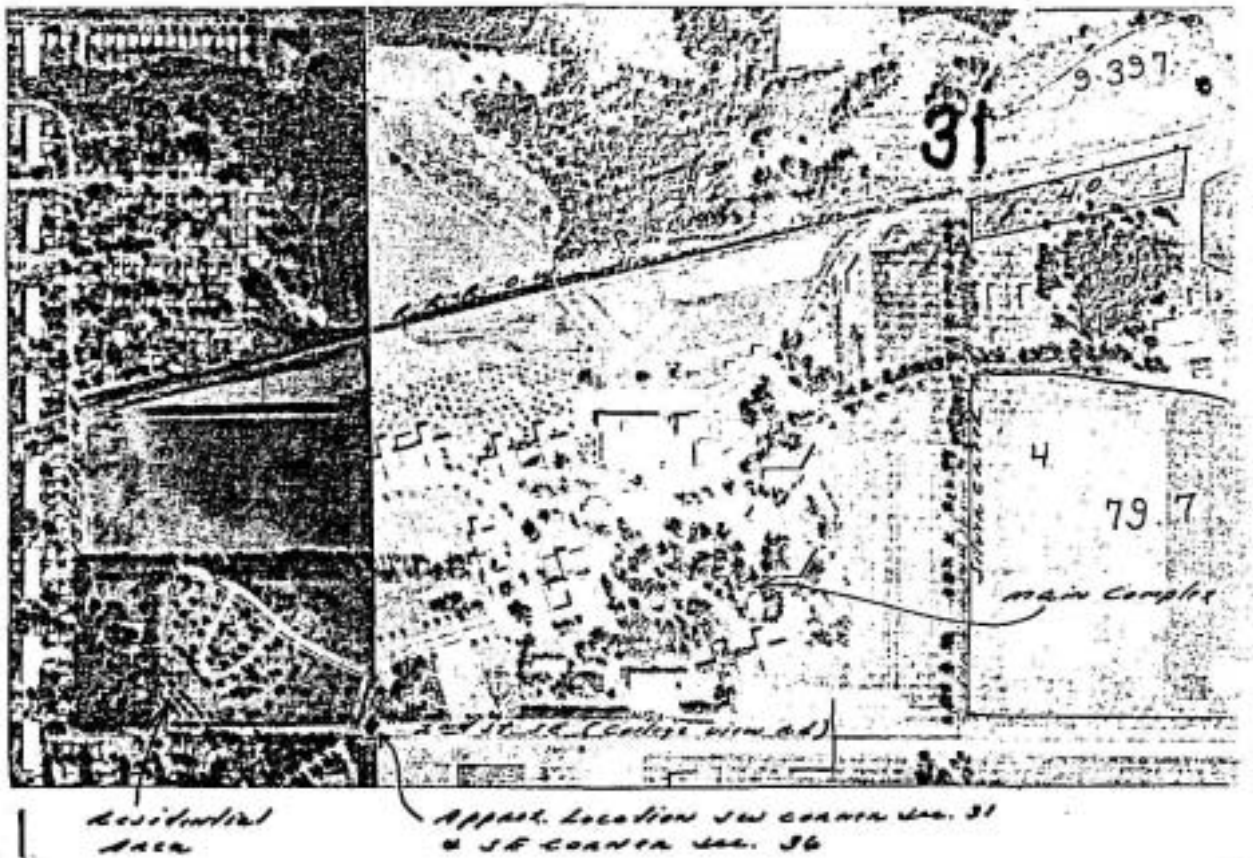


William H. Cushman, MAI  
Cushman Appraisal Company



*Subject*

PARCEL LAYOUT



Subject Tract

Scale - 1" = 660

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## Osceola Air Force Station - Sale #1

This property was purchased on a sealed bid for cash on July 5, 1977. The price paid was \$405,005.37. Roger Krueger purchased the property from the government.

This station is located in west central Wisconsin, about 5 miles southeast of Osceola, Wisconsin and about 50 miles northeast of Minneapolis-St. Paul, Minnesota.

Included in the sale were 27 housing units (single family dwellings) and the base buildings, which included, 6 barracks, 1 bachelor officer's quarters, 17 major and 6 smaller buildings. With the exception of the homes, the buildings are mostly of concrete block construction. The operational buildings are heated from a central steam heating plant. All of the operational base and family housing units are served by a common central sewer and water system. The sewer system has concrete septic tanks, ponds and a chlorinator. There are two deep wells, two pump houses and two above ground reservoirs.

The total ground area is 82+ acres involving two non-contiguous parcels. The larger of which contains 76.97 acres lying south of the blacktop surfaced road and a 5.02 acre parcel lies north of the road and contains 13 single family units. All of the other buildings are on the larger parcel, with nine single family units lying just across the road from the other 18. The larger parcel is enclosed with a 7' chain link fence.

The total area of all improvements totals 138,107 square feet. There are four basic home layouts, for a total square foot area of 30,292 square feet, excluding garages. This leaves a total S.F. area of 107,815 square feet. The homes make up about 22% of the gross floor area.

The price of the entire property sold was (\$405,005.37) just over

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\$2.93 per square foot.

Krueger attempted to sell the homes individually but could not get the necessary local approvals due to the small lot sizes. The only way to sell them was on a condominium basis, which is being done. In addition, Krueger spent \$180,000 remodeling the dining building and bachelor officer's quarters and apparently was having problems making his payments.

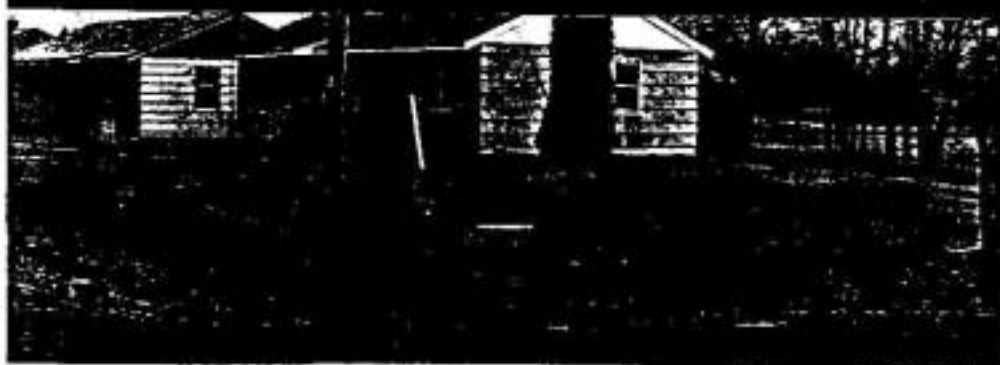
In 1980 Krueger sold all of the area south of the road, except the area around the nine homes (including the nine homes), or about 2 + acres. A total of about 74 acres including all of the buildings, except all of the 27 homes, or a total of about 107,815 S.F. were sold. The property was sold to AFLC (a branch of the Lutheran Church) for \$200,000. The church has also done some work since acquisition and uses the property for weekend retreats and camping. One of the barracks has been converted to an apartment. According to Mr. Bob Dietsche, the caretaker, the church gave Krueger a statement that the property was worth 1.4 million for tax purposes.

Dietsche indicated he felt the church got a very good buy at about #1.85 per square foot of building area.

## Summary:

Original sale including a gross building area of 138,108 S.F. of gross floor area including 27 homes for \$405,005.37 or \$2.95 per S.F. of gross floor area including 82± acres. Abstracting the land value at \$600. per acre (\$49,200) leaves a building value of \$355,805.37 or \$2.58 per S.F. of gross floor area.

The 1980 sale included 74 acres and all buildings except the homes which included a gross floor area of 107,815 S.F.. Abstracting the land value at \$800 per acre (\$59,200) leaves a building value of \$140,800 or \$1.31 / S.F. of gross floor area.



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## Antigo Air Force Station - Sale #2

This property (the larger parcel, parcel 1) was purchased on a sealed bid for cash on November 18, 1980. The price paid was \$304,000. Troy Dutton of McGregor, Texas purchased the tract from the government .

Antigo is a small community of about 9,000 located in Langlade County in Northeastern Wisconsin. Green Bay lies about 80 miles Southeast and Milwaukee about 180 miles Southeast. The Air Force Station is about 10 miles Southwest of Antigo.

I  
ncluded in the sale were nine single family housing units and the base buildings, which included a headquarters building, two dormitories, an NCO Club with bowling alley, gymnasium and movie theater, five story tower building, bachelor officer's quarters, and guest quarters plus other buildings totaling about 90,000 square feet of gross floor area.

All of the buildings are located on a 43.22 acre tract which is all enclosed by a chain line fence. Water is supplied to the station and housing site by two 80' deep wells located about 3/4 mile northwest of the property. Sewage disposal is taken care of by a treatment plant on the station. Access to the tract is via a blacktop surfaced road from blacktop surfaced County HH. Interior roads are all weather roads.

With the exception of a few buildings and the homes, the buildings are constructed of concrete block. The family housing site lies adjacent to and east of, the main base buildings. The homes are all of wood frame construction on concrete block foundations. All of the homes are one story without basements and were remodeled to some extent in 1974. The homes have a gross floor area in total of 9,267 square feet.

It is my understanding that the buyer obtained possession of the

# CAC CUSHMAN APPRAISAL COMPANY

property in March of 1981. At the present time the property was standing idle with no use being made of it.

The total building area of about 90,060 square feet at a price of \$304,000 indicates a value of about \$3.38 per square foot of gross floor area. About 10% of the total gross floor area is in single family homes.

## Summary:

The 1980 sale at \$304,000 for a gross floor area of 90,060 S.F. including homes and sold at a value of \$3.38 per S.F. of gross floor area. Abstracting the land value estimated at \$700 per acre (\$30,250) leaves a building value of \$273,750, or a value of \$3.04/S.F. of gross floor area.



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## Duluth Air Force Missile Site - Sale #3

This property originally contained 24.5+ acres plus easement areas of 2.76± acres or a total of 27.26± acres. The tract is located about 6 miles Northeasterly of Duluth's city limits. A Bomarc missile base was constructed in 1959 on the site. The area is generally open and improved with 28 missile launch buildings, a missile service shop, missile assembly building, security and fire station, administrative building and a dining hall and crew quarters building. There is also a sentry house, ordinance storage building and a pumping station which are minor in nature.

The missile launch buildings are concrete and steel frame structures, have water, electricity and are heated from a central system. The service shop is a concrete block and steel building. This building houses the central heating plant. The building is heated, has electricity and water. The dining hall and crew quarters is of concrete block construction and the interior is divided by plasterboard walls. The building is heated and has electricity and water. The administration office is a wood frame building and divided into rooms, it is heated and has water and electricity.

The building area is surrounded by a chain link fence, roadways are primarily blacktop with some concrete. Water is supplied by two deep wells with an overhead 125,000 gallon tank. There is an on lot sewage system which utilizes an aeration treatment with a capacity of 10,000 gallons per day. The water and sewer systems had been vandalized to some extent.

The missile launcher portion of the site lies to the north of the other buildings and is independently fenced.

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## GROSS FLOOR AREA:

|                      |                          |             |
|----------------------|--------------------------|-------------|
| Missile Launchers    | 20' X 61" X 28' =        | 34,160      |
| Ordinance Storage    | 52' X 17' =              | 884         |
| Service Shop         | 161' X 162' =            | 26,082      |
| Assembly Shop        | 85' X 70' =              | 5,950       |
| Fire Station         | 74' X 36' =              | 2,664       |
| Dining Hall          | 147' X 39' + 15' X 12' = | 5,913       |
| Administration Bldg. | 87' X 29' =              | 2,523       |
| Total:               |                          | 78,176 S.F. |

In January of 1977 this property was acquired by the Town of Duluth (not the city) for \$126,000 from the government. Shortly thereafter, it was sold to the Mathisen Tire Co. (Bruce Mathisen) for \$146,000 for his tire business. On April 27, 1977 Bruce Mathisen mortgaged the subject land and other land to the Northwestern Bank of Commerce in Duluth (Doc. #251804) for \$400,000, all due and payable on June 1, 1987. The entire property mortgaged included about 100± acres with easement areas and is described as follows: T.51N.,R.12W.:Sec.5, SE1/4NE1/4,S1/2NE1/4NE1/4, E1/2S1/2NW1/4NE1/4 exc. N.220' and W.58' thereof (5.96) E.599.78' of SW1/4NE1/4 (18.12 acres). Also beg. at a point on N. line SE1/4 253' W'ly of NE1/4, S'ly 116.35', W. 354', S'ly 415', W.467', S'ly 350',W.350',N. 765',W.480.64', N'ly 120.77', E'ly 1662.60' to P.O.B. (15.10 acres) plus easements.

The buyer, Mr. Mathisen, was unable to make the mortgage payments and was forced to vacate the property. The Northwestern Bank of Commerce worked out a sale to Richard B. Jones on March 23, 1981 (Doc.#327407) where Jones took over the mortgage and also paid back taxes for a total purchase price of about \$360,000. The balance on the mortgage apparently was nearly all of the purchase price.

Therefore, the sales price to Mathisen in 1977 would have been \$146,000 for about 27.26 acres plus buildings or about \$1,87/S.F. of gross floor area. The 1981 sale to Jones would have been

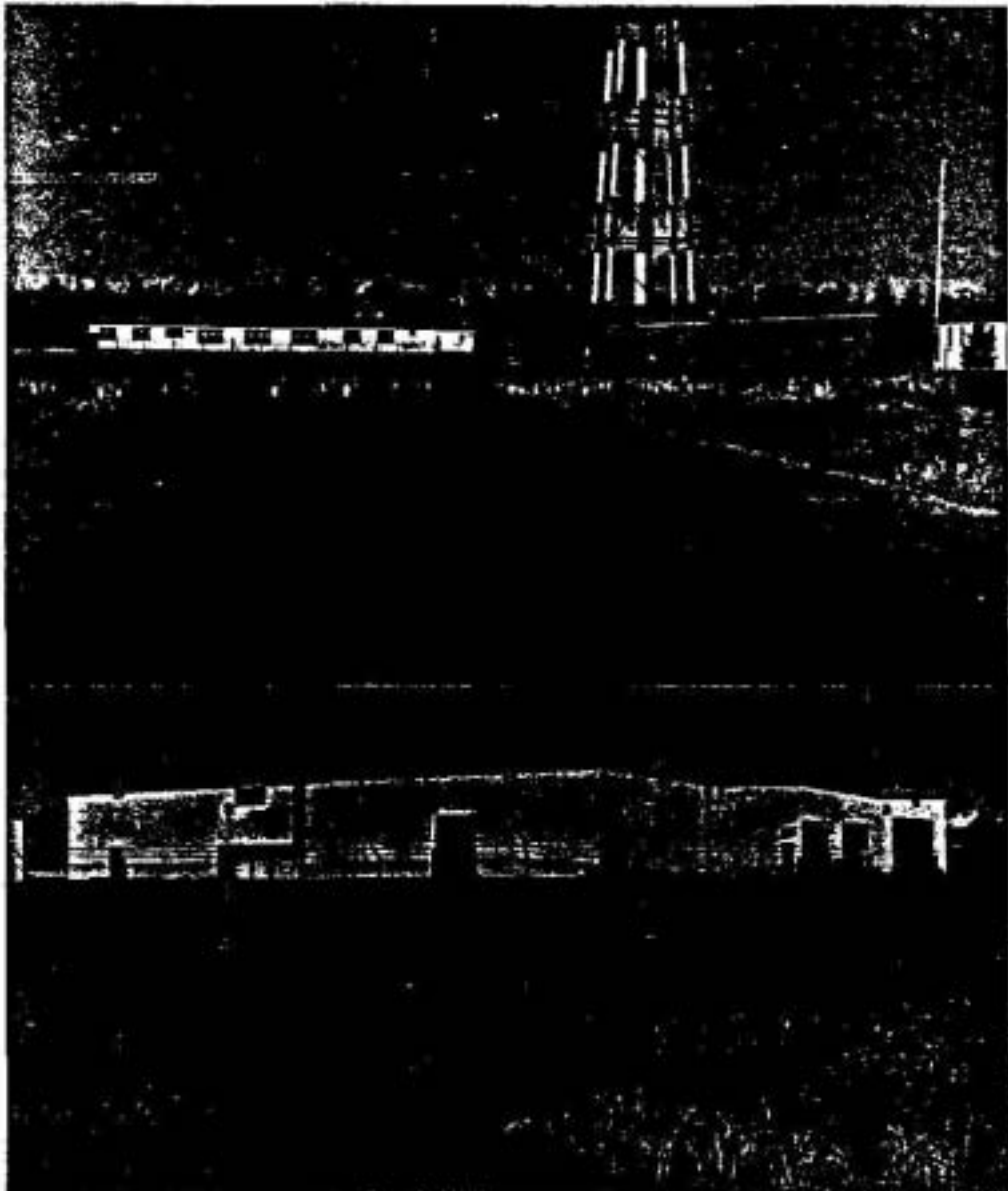
# CAC CUSHMAN APPRAISAL COMPANY

\$360,000 for 100± acres or \$4.60 / S.F. of gross floor area.

The bank officer would not divulge what Jones intends to do with the property.

## Summary:

The sale price was \$360,000 including 100± acres of land and a gross building area of 78,176 S.F., or a Sales price of \$4.60 per S.F. of gross floor area. Abstracting the land value at \$500. per acre (\$50,000) leaves a building value of \$310,000 or \$3.97 per S.F. of gross floor area.



# CAC CUSHMAN APPRAISAL COMPANY

## Bethel College - Sale #4

This property is located at 1480 North Snelling Av., easterly across from the state fair grounds in St. Paul, Minnesota. The property is described as Lots 1-30 Block 8 and lots 1-30 Block 9 and lots 1-5 Block 11, Frankson's Como Park addition including vacated Asbury Av. and vacated alleys adjoining, containing 383,285 S.F. or about 8.8 acres.

Included on the site are 8 buildings, as follows:

|                                     |              |               |
|-------------------------------------|--------------|---------------|
| College & Administration Building - | 34,477 S.F.  | - blt.1914-15 |
| Seminary Building -                 | -17,320 S.F. | - blt.1914-15 |
| Library -                           | 12,604 S.F.  | - blt.1949    |
| Field House -                       | 32,927 S.F.  | - blt.1952    |
| Hagstrom Residence -                | 17,112 S.F.  | - blt.1941-46 |
| Edgren Residence & Addition -       | 34,187 S.F.  | - blt.1957    |
| Badien Residence & Addition -       | 38,837 S.F.  | - blt.1957    |
| Central Heating Plant -             | 1,898 S.F.   | -reblt. 1957  |

This amounts to a gross floor area of 189,362 S.F. with 49% academic space, 50% dormitory space and 1% other space.

The buildings all have face exterior brick and all either of steel column or steel frame and concrete construction. Hagstrom is the married couples residence containing 32 apartments while Edgren and Badien contain 85 and 82 bedrooms respectively. The property has city sewer and water and a central heating plant. The buildings are all in good repair.

The college acquired a new campus several miles north and this became surplus in about 1973 or 1974 at which time it was put on the market with an asking price of \$3,500,000. The property was sold as is to the United States Government in November of 1977 as a Job Corp Site for which it is currently being used. The purchase price was \$1,820,000 and it is zoned R-4 one family residence.

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## Summary:

The sale included 8.8 acres of residential land and 189,362 S.F. of gross floor area, involving 8 buildings. The sale price was \$1,820,000 or \$9.61 per S.F. of gross floor area. Abstracting the land at \$50,000 per acre (\$440,000) leaves \$1,380,000 or \$7.29/S.F. of gross floor area.



# CAC CUSHMAN APPRAISAL COMPANY

## Childrens Hospital - Sale #5

This tract is located at 311 Pleasant Av. just southwesterly of the downtown area of St. Paul, Minnesota. The property is described as part of Block 86, Dayton and Irvine's addition and part of Connecticut subdivision containing 138,028+ S.F. or 3.17 acres.

Included in the site is a hospital building constructed in 3 stages {1927, 1959 and 1969) and contains 5 stories for a total gross floor area of 89,387 S.F.. The exterior has brick and stone facing over a reinforced concrete and steel frame. The interior walls are plaster over hollow clay tile. The roof is flat and heat is provided by steam with both gas and oil firing capabilities. There are 3 passenger elevators and the building is air conditioned. City sewer and water were in use.

The zoning is R.M.-2 and R.T.-2 which is a multiple zoning classification. At the time of sale the property was empty, having been vacated for hospital use.

In January of 1980 the property was acquired by Ted Glaserud et al for a total consideration of \$600,000. It was to be converted to condominium use.

### Summary:

The sale included about 3.17 acres and one hospital building with a gross floor area of 89,387 S.F.. The sale price was \$600,000 or \$6.71 / S.F. of gross floor area. Abstracting the land at \$75,000 per acre (\$237,750) leaves \$362,250 or \$4.05 per S.F. of gross floor area.



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## Mechanic Arts High School - Sale #6

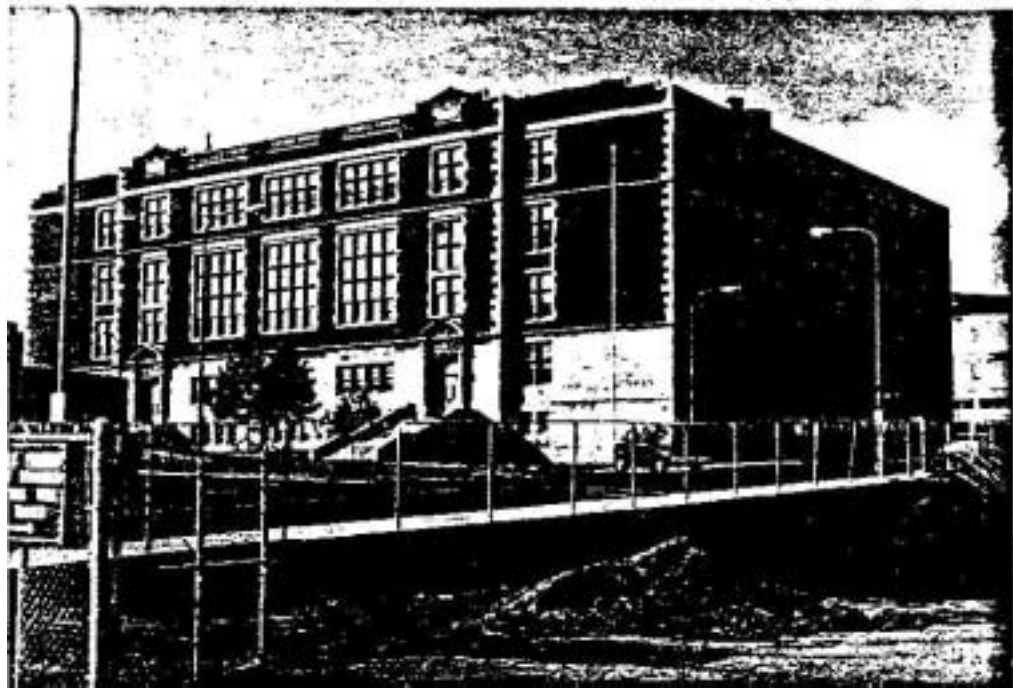
This tract is located on the northwest corner of Central and University Avenues in downtown St. Paul , Minnesota. The property is described as Lots 1 and 2, Block 1, Central Park addition, Lots 1-4, Block 8, auditors sub. #3 and part of Block 3, Randalls addition, containing 175,705± S.F. or 4.03± acres.

The building was originally constructed in 1910 with a gymnasium added in 1929. The exterior of the school is stone and brick over a concrete and steel frame. The roof is flat. There is a total gross floor -area of 135,622 S.F.. There is one 2,000 lb. capacity elevator and heat is provided by 3 low pressure boilers with one gas fired and the other two are oil fired. There is no air conditioning.

The property was acquired from school district 625 in June of 1978 by the State of Minnesota for use as either a State Historical Society use or for a state power plant. The property is zoned OS-1 which is for office space construction.

### Summary:

The sale included about 4.03 acres and a former high school building with a gross floor area of 135,622 S.F. for \$2,177,700. or \$16.06 / S.F. of gross floor area. Abstracting the land value at \$150,000. per acre (\$604,500) leaves \$1,573,200 or \$11.60 / S.F. of gross building area.



# CAC CUSHMAN APPRAISAL COMPANY

## LAND SALE ADJUSTMENT CHART

| Sale #                     | 7        | 8        | 9         | 10                      | 11        | Subject          |
|----------------------------|----------|----------|-----------|-------------------------|-----------|------------------|
| Sales Date                 | 10/1980  | 12/1980  | 12/1977   | 12/1977                 | 7/1979    |                  |
| Zoning                     | Ag       | Ag       | Ag        | R1,R2,Ag                | R-1       | R-2              |
| Utilities                  | None     | None     | None      | Sewer &<br>Water avail. | None      | Sewer &<br>Water |
| Soil                       | Firm     | Firm     | Firm      | Firm                    | Firm      | Firm             |
| Sales Price                | \$68,000 | \$89,150 | \$142,290 | \$448,000               | \$235,700 |                  |
| \$ Acres                   | 19.9     | 17.38    | 29.3      | 50                      | 60        | 160±             |
| Price / Acre               | \$3,420  | \$5,130  | \$ 4,850  | \$ 8,960                | \$3,930   |                  |
| Adjustments                |          |          |           |                         |           |                  |
| Time                       | 1.06     | 1 .05    | 1 .24     | 1 .24                   | 1 .14     |                  |
| Location                   | 1 .75    | .95      | .95       | .90                     | 1 .25     |                  |
| Utilities                  | 1.25     | 1 .25    | 1 .25     | -                       | 1 .25     |                  |
| Size                       | .90      | .90      | .90       | .95                     | .95       |                  |
| Quality                    | -        | -        | -         | -                       | -         |                  |
| Terms                      | .80      | -        | -         | .80                     | -         |                  |
| Zoning                     | 1.25     | 1.25     | 1.25      | -                       | 1 .10     |                  |
| Factor                     | 2.09     | 1 .40    | 1.66      | .85                     | 1 .86     |                  |
| Adjusted Value<br>per Acre | \$7,150  | \$7,200  | \$8,050   | \$7,600                 | \$7,300   |                  |

The adjusted sales indicate a range of  
the subjects land area. In my opinion  
acre appears reasonable.

\$7,150 to \$8,050 for  
a value of \$7,500 per

160 Acres @ \$7,500 = \$1,200,000. -

Land only

## LAND SALES

### #7. Legal:

T.107N.,R.14W.Sec.11; that part of north 64 acres of SW1/4 lying W'ly of a line com. NW corner SW1/4 ,E.871.41' to P.O.B. in centerline hwy. 133, S'ly along centerline of road to south line of N.64 acres of SW1/4 and there terminating. Except com.at a pt. in N. line SW1/4 35 rods E. of W. line Sec.11, E.15 rods, S.5 1/3 rods,W.15 rods, N.5 1/3 rods to P.O.B. containing in all, 19.9± acres

|               |   |
|---------------|---|
| Sales Date:   | 10/1980   |
| Zoning:       | Agriculture   |
| Seller:       | Alan Hadler   |
| Buyer:        | Randall Edson   |
| Utilities:    | Electricity & telephone   |
| Access:       | Gravel Road   |
| Comments:     | The tract is rolling to hilly, generally open land with a gravel road on east side. |
| Soil :        | Timula silt loam  |
| Sales Price : | \$68,000. - \$15,000 down, \$450/mo. - 8%, balloon due 3/1/1986.                    |
| Price / Acre: | \$3,417.09  |



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#8 Legal: T.107N.,R.13W.,Sec.30; that part NW1/4 com. SW corner NW1/4, N.795', E'ly 230.06', NE'ly 36°51' -1080' to P.O.B. - cont.36°51' - 657.87', E'ly 500', S'ly 370.86', SE'ly 142°25'35"-552.30' to centerline Viola Road, SW'ly along centerline 530', NU'ly 1011.10' to P.O.B. Containing 17.28 acres

Sales Date: 12/1980  
Zoning: Agriculture  
Seller: Gladys Faqer  
Buyer: Kruse Co.  
Utilities: Electricity and telephone  
Access: Black top road  
Comments: Level to somewhat rolling land on North side of blacktop  
Soil: Rackton loam  
Sales Price: \$89,150 or \$5,129.46 per acre



# CAC CUSHMAN APPRAISAL COMPANY

#9 Legal : T.107N..R.14W.,Sec.25; N.478<sup>1</sup> of S.795<sup>1</sup> of E.275.75' of SE1/4NE1/4. T.107N.,R.13W.,Sec.30; th.pt.NW1/4 com.SW corner NW1/4,N'ly 317' to P.O.B. N'ly126°51'-1011.10',SEMy 232°25'25" - 182.91' along centerline Viola Road, continue along centerline to pt.960.59' E'ly of P.O.B.,W'ly to P.O.B. containing 29.3± acres.

|              |   |
|--------------|---|
| Sales Date:  | 12/1977   |
| Zoning :     | Agriculture   |
| Seller:      | Gladys Fager  |
| Buyer:       | Kruse Co.   |
| Utilities:   | Electricity & telephone   |
| Access:      | Blacktop road   |
| Comments:    | Level to rolling land with blacktop road on south side. Sewer and water a few hundred feet of Southwest corner. |
| Soil :       | Rockton loam  |
| Sales Price: | \$142,290 or \$4,856.31 / acre.   |



# CAC CUSHMAN APPRAISAL COMPANY

#10    Legal :                    T.107N.,R.14W.,Sec.15; pt. of SW1/4 beg. at NE corner NW1/4SW1/4, W'ly 1060', S'ly to pt. on W'ly extension of N. line Pennington 1st sub., E'ly to E. line of SW1/4 sec.15, N'ly 750', W'ly to W.line NE1/4SW1/4, N'ly to P.O.B. containing 50± acres

Sales Date:                    12/1977

Zoning:                        R1,R2 and Agriculture

Seller:                        Pennington Properties

Buyer                         Western Walls, Inc.

Utilities:                    Sewer & water across road, electricity & telephone

Access:                        Blacktop road on east side

Comments:                    Rolling, open land west and north of developed acres.

Soil :                         Waubech silt loam and Dawagiac loam

Sales Price:                    \$448,000 or \$8,960 / acre



# CAC CUSHMAN APPRAISAL COMPANY

#11 Legal : T.106N. ,R.14W.,Sec.14; S1/2NW1/4 with exceptions containing 60± acres. The legal is extremely lengthy and available on request.

Sales Date: 7/1979  
Zoning : R-1  
Seller: Richard Jones  
Buyer: Walter Cassel  
Utilities: Electricity & telephone  
Access: Gravel and blacktop roads  
Comments: The tract is rolling and mostly open land  
Soil : Caqoon and Waucoma loam  
Sales Price: \$235,700 or \$3,928.33 / acre



GOODHUE

CO.

WABASHA

CO.

LAND SALES LOCATION

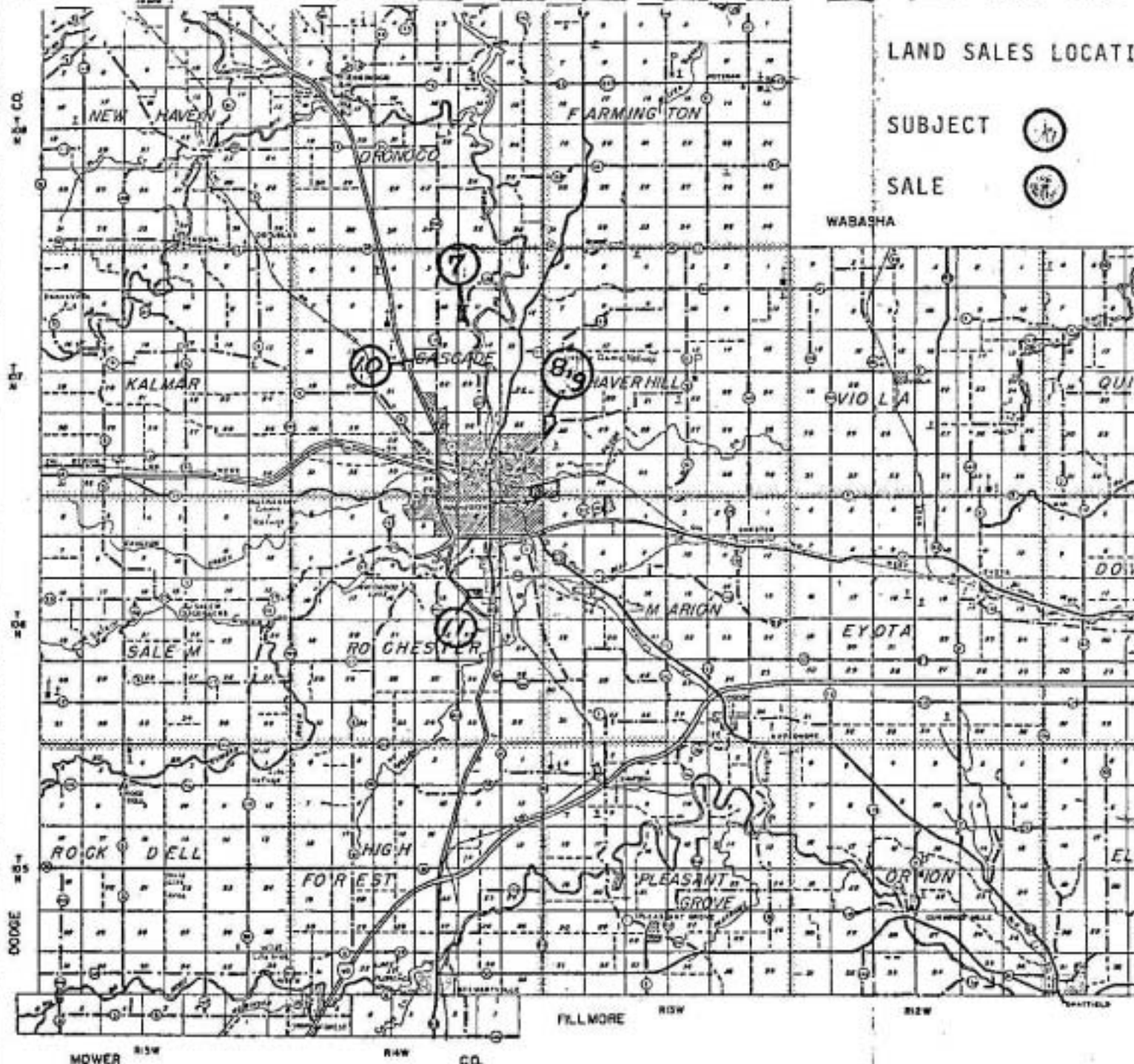
SUBJECT



SALE



WABASHA



FILLMORE

RISW

RISW

MOWER

RISW

RISW

CO.

TABLE : CURRENTLY IDENTIFIED POTENTIAL USERS

| AGENCY   | PROPOSED USE   | TOTAL<br>FT.          | COMPATIBLE SQ.<br>WITH PURPOSE |
|--|--|-----------------------|--------------------------------|
| State Department<br>of Corrections   | Women's State<br>Correctional<br>Institute             | 90,148                | yes                            |
| Joint Proposal from:<br>Winona State University,<br>Rochester Vocational-<br>Technical Institute,<br>Rochester Community College | Classroom space  | 184,434               | yes                            |
| Southeastern Minnesota<br>Educational<br>Cooperative   | Office space, warehouse,<br>miscellaneous              | 7,500                 | yes                            |
| Department of<br>National Resources  | Maintenance garage                                     | Not specified         | yes                            |
| Religious Activity Center  | Office space, workshop                                 | 13,979                |                                |
| PORT (3<br>county)   | Community Corrections<br>Residential Program           | 29,844                | yes                            |
| Pine<br>Circle (4<br>county)   | Community based/CD<br>Halfway House                    | 6 cottages            | yes                            |
| Zumbro Valley Mental<br>Health Center (3<br>county)  | Mental Health Center                                   | 12,500                | yes                            |
| Zumbro Valley Detoxification<br>Center (7 county)  | Detoxification Center                                  | 4,500                 | yes                            |
| School District 535  | Office space, warehouse space                          | 188,376               | yes                            |
| Olmsted County Developmental<br>Achievement Center   | DAC Center   | 20,000                | yes                            |
| Olmsted County Association<br>for Retarded Citizens  | Office space   | 480                   | yes                            |
| City of<br>Rochester City<br>Engineer  | Office space   | 8,000                 | yes                            |
| Park and Recreation  | Recreational Use:<br>Sports programs, Camp<br>Sunshine | 50 acres<br>(approx.) | yes                            |
| United Way of Olmsted County   | Office space   | 15,000                | yes                            |
| TLC Day Care Center  | Day Care Center  | 2,600                 | yes (?)                        |
| Lourdes High School  | Building Site for new school                           | 15-35 acres           | yes                            |
| National Institute<br>of Corrections   | Professional<br>staff training                         | Not specified         | yes (?)                        |

*City of* **ROCHESTER**  
*— Minnesota 55901 —*



November 3, 1981  
November 3, 1981  
S.E.

BUILDING and SAFETY DEPT.  
1421 3rd AVENUE

Phone (507) 288-2651

Mr. Kenneth C. Pieper  
Co-Chairman, Rochester State Hospital Task Force Survey  
501 Marquette Bank Building  
Rochester, MN 55901

Dear Mr. Pieper:

The impact of major building code requirements on any proposed alternate use of existing State Hospital buildings depends entirely on whether or not the following sections of the code would be applicable: Section 104(b) Additions and Alterations, Section 104(c) Existing Occupancies, and Section 502 Change in Use.

Sections 104(b) reads in part:

Additions, alterations or repairs may be made to any building or structure without requiring the existing building or structure to comply with all the requirements of this code provided the addition, alteration or repair conforms to that required for a new building or structure. Additions, alterations or repairs shall not cause an existing building or structure to become unsafe or overloaded. Any building so altered, which involves a change in use or occupancy, shall not exceed the height, number of stories or area permitted for new buildings. Any building plus new additions shall not exceed the height, number of stories and area specified for new buildings.

Section 104(c) reads in part:

Buildings in existence at the time of the adoption of this code may have their existing use or occupancy continued, if such use or occupancy was legal at the time of the adoption of this code, provided such continued use is not dangerous to life. Any change in the use or occupancy of any existing building or structure shall comply with the provisions of Sections 307 and 502 of this code.

Section 502 reads in part:

No change shall be made in the character of occupancies or use of any building which would place the building in a different division of the same group of occupancy or in a different group of occupancies, unless such building is made to comply with the requirements of this code for such division or group of occupancy.

The building code classifies all buildings by their Type of Construction and Occupancy Groups:

Group A (assembly purposes) Group B  
(commercial, business, industrial) Group E  
(educational) Group H (hazardous) Group I  
(institutional) Group M (miscellaneous) Group  
R (residential)

Further, each group is divided into two or more specific occupancies depending on total occupant loads, nature of hazards involved, etc. The following is an abbreviated summary of each:

Group A-1: Assembly for more than 1000 with a stage A-2:  
Assembly for less than 1000 with a stage A-2.1: Assembly  
for more than 300 without a stage A-3: Assembly for  
less than 300 without a stage Group B-1: Service  
stations, storage garages  
B-2: General business and commercial, including offices, stores,  
factories, workshops, storage, and educational beyond 12th grade  
B-3: Open garages, aircraft hangers B-4: Power plants, cold storage,  
etc.  
Group E-1: Educational through 12th grade for more than 50  
E-2: Educational through 12th grade for less than 50  
E-3: Day care for more than 6  
Group H-1: Storage of hazardous or explosive materials H-2:  
Storage of hazardous flammable liquids H-3: Woodworking or dust  
generating uses H-4: Repair garages Group 1-1: Nurseries for  
full-time care of children under 6,  
Hospitals, nursing homes for non-ambulatory 1-2:  
Homes for children 6 years and over, Nursing homes  
for ambulatory patients, Detoxification centers,  
Class B supervised living facilities  
1-3: Mental hospitals, sanitariums, jails, prisons, reformatories  
Group M-1: Private garages, sheds, etc. Group R-1: Hotels, apartments,  
convents, monasteries,  
Class A-2 supervised living facilities R-  
3: Dwellings and lodging houses,  
Class A-1 supervised living facilities.

Obviously, if a proposed use for an existing building remains in the same occupancy group, there are no provisions of the building code applicable retroactively, unless there exists a deficiency dangerous to life under Section 104(c), and except for new alterations or remodelling under Section 104(b). Based on previous information, buildings #6, 7(Geriatric) and #10(Community Consultation) are not presently up to Life Safety or Fire Codes for their existing uses. Any alterations or remodelling work within existing use categories would require conformance to the appropriate code provisions involved.

Based on the above, the following list summarizes the type of uses or occupancies defined in the building code which are possible for the existing buildings without retroactive code requirements:

| Building | Existing Use                    | Occup. Group | Types of Use:  |
|----------|---------------------------------|--------------|--|
| #1,2,8   | Psychiatric                     | 1-3          | Mental hospitals; sanitariums, jails, prisons,   |
| #3       | Religious Ctr                   | A-2.1        | Assembly uses for such purposes as deliberation, education, instruction, worship, entertainment, amusement, drinking, or dining  |
| #4       | Service Bldg                    | B-2          | Wholesale and retail stores, offices, factories, workshops, storage, and educational beyond 12th grade Repair or service garages   |
| #5       | Power plant                     | B-4          | Power plant, ice plant, cold storage, etc.   |
|          | Geriatric                       | 1-3          | Mental hospitals, jails, prisons, reformatories  |
| #9       | Medical-Surgical Administration | 1-1          | Nurseries for full-time care of children, hospitals, nursing homes for non-ambulatory patients Offices, workshops, retail stores, storage, and educational beyond 12th grade |
| #10      | Comm. Consul.Ctr                | B-2          | (same as above)  |

If a proposed use for an existing building places the classification in a different occupancy group or division, the building would be required to conform to the code for such new occupancy. The major code requirements which apply to such changes in use can be grouped into four categories:

- 1) Allowable Floor Areas and Height: The code limits the floor area and height of a building based on its Type of Construction and Occupancy Group, as well as open spaces surrounding the building. From information received previously and a brief review of the site and plans, the existing Type of Construction for all buildings is either Type I Fire-Resistive or Type II Fire-Resistive. The areas and heights of the existing structures are apparently within code limitations for all uses, with the exception of using a building for a Group H-1 or H-2 occupancy (storage of large amounts of highly flammable or explosive materials or liquids). From information available, it is apparent that all other use categories present no problem with the basic construction type for each building.
- 2) Automatic Fire-extinguishing Systems The present building code ordinance requires, in part, automatic sprinklers in the following areas:
  - All basements over 1500 sq.ft. and not provided with exterior opening;
  - Basements over 1500 sq.ft. in all Group A & E occupancies;
  - All Group A occupancies with over 12,000 sq.ft. for exhibition display;
  - All Group I occupancies;
  - Group B-2 occupancies with over 12,000 sq.ft. retail sales;
  - Group B occupancies exceeding 20,200 sq.ft. total area;
  - Group R-1 occupancies exceeding 30,000 sq.ft. total area. No existing State Hospital building nor their basements have full automatic sprinkler protection.

- 3) Energy Code - Building Thermal Envelope: The energy audit made in 1977 indicates that the exterior wall and roof "U" factors are deficient for all buildings in varying degrees. The required average "U" factor for walls is 0.23(R 4.4), and the existing walls range from 0.36 to 0.28(R 2.7 to 3.5). The required "U" factor for roof-ceilings is 0.06(R 16.6), and the existing range from 0.18 to 0.07 (R 5.5 to 14.2). The energy law does provide a basis for economic justification relative to meeting the thermal requirements, and it may be possible to delay the addition of roof or wall insulation for a period of time based on cost factors, life-expectancy of components involved, and type of remodelling contemplated.
- 4) Occupancy Provisions: Since there are many specific occupancy requirements for each occupancy group, both minor and major in scope, this report addresses only those areas which may involve extensive alterations.

Exit Systems: All buildings have an adequate number and location of exits from the building itself and from each floor. Most buildings, however, would require alterations to interior exit corridor systems, i.e. upgrading corridor walls and openings to provide minimal exit protection. In some buildings, such as Bldg #6 & 7 (Geriatric), any proposed use would more than likely involve closing existing openings and adding new corridor walls to achieve the functions desired.

Handicapped Access: Depending on use, minimal building access and toilet room facilities for the handicapped would be required. Most buildings presently are provided with adequate interior elevator access to other levels.

| Building | Existing Occup. & Group                    | Proposed Occup. & Group   | Spk<br>r    | En<br>e<br>r         | Occu.<br>v  |
|----------|--|---|-------------|----------------------|-------------|
| #1       | Psychiatric 1-3                            | Womens Corrections 1-3  |             | none                 |             |
| #2,8     | Psychiatric 1-3                            | Offices B-2<br>Residential R-1                                    | X<br>X      | X                    | X<br>v      |
| #3       | Religious Ctr A-2.1                        | Assembly A-2.1  |             | none                 |             |
| #4       | Service Bldg B-2                           | Warehouse B-2<br>Vo-Tech Classes B-2<br>Repair Garage H-4         |             | none<br>none<br>none |             |
| #5       | Power Plant B-4                            | Power Plant B-4   |             | none                 |             |
| #6,7     | Geriatric 1-3                              | Classrooms B-2<br>Day Activity E-3<br>Residential R-1             | X<br>X<br>X |                      | X<br>X<br>X |
| #9       | Medical Surgical 1-1<br>Administrative B-2 | Offices B-2<br>Day Activity E-3<br>Offices B-2<br>RCC Classes B-2 | X<br>X      | X X<br>none<br>none  | X<br>X      |
|          | Comm.Consul.Ctr. B-2                       | Offices B-2<br>Storage B-2  |             | none<br>none         |             |

November 3, 1981

State Hospital Task Force Survey

Mr. Kenneth Pieper

Page 5

In summary, Building #1 (Psychiatric) can be used as a womens' correctional facility with no major building code requirements. Building #3 (Religious Center) can be used for a wide range of assembly type occupancies for large groups, including worship, deliberation, educational, instruction, cultural, entertainment, amusement, or dining, with no building code problems. Buildings #4 (Services), #9 (Administration), and #10 (Community Consult Center) can be employed for a wide range of commercial or industrial uses, including office, business, shop, storage, and educational facilities beyond the 12th grade. Buildings #2 & 8 (Psychiatric), #6 & 7 (Geriatric), and #9 (Medical Surgical) presently classified as 1-3 would require upgrading in the three areas outlined above.

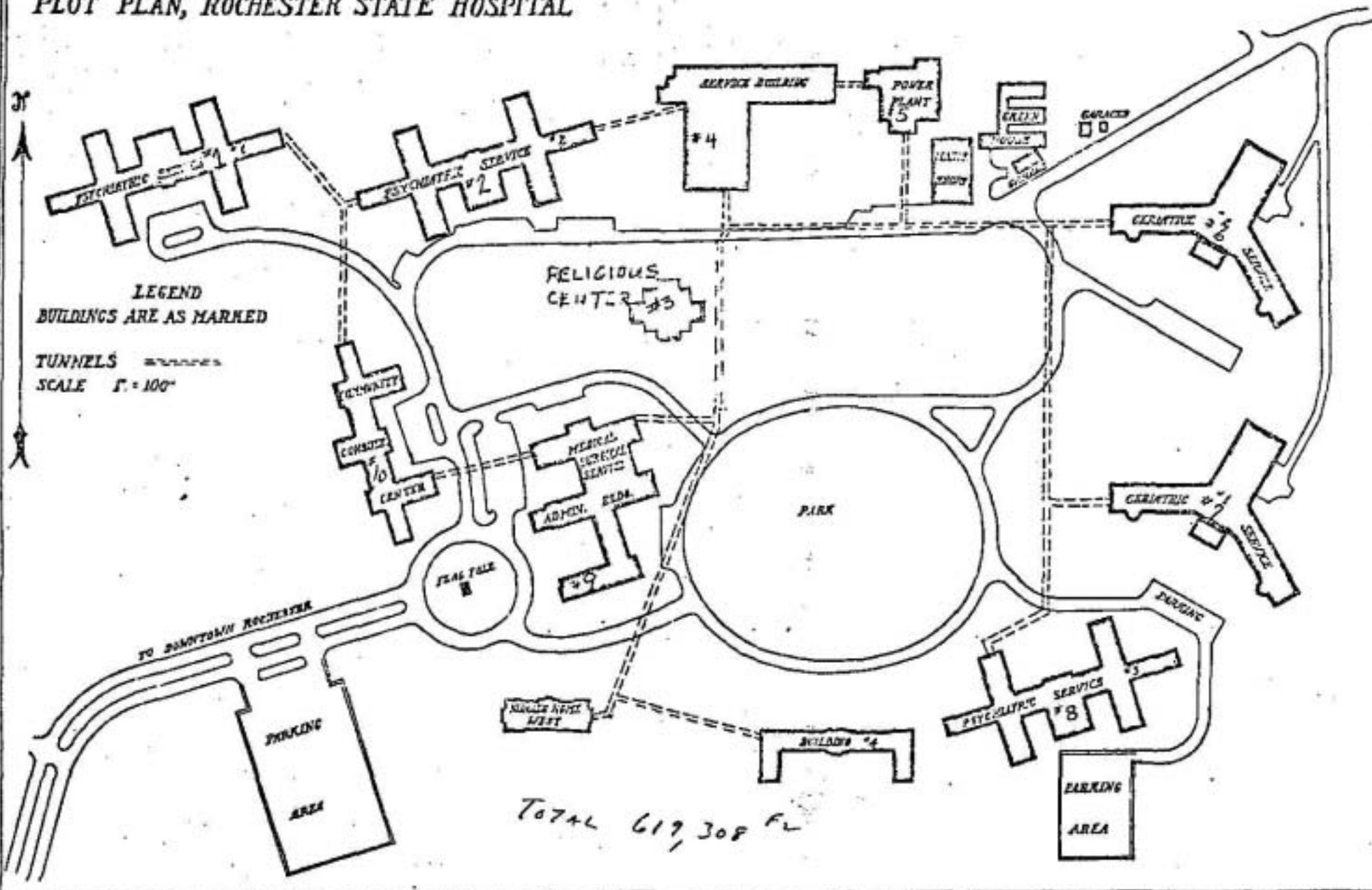
Sincerely,

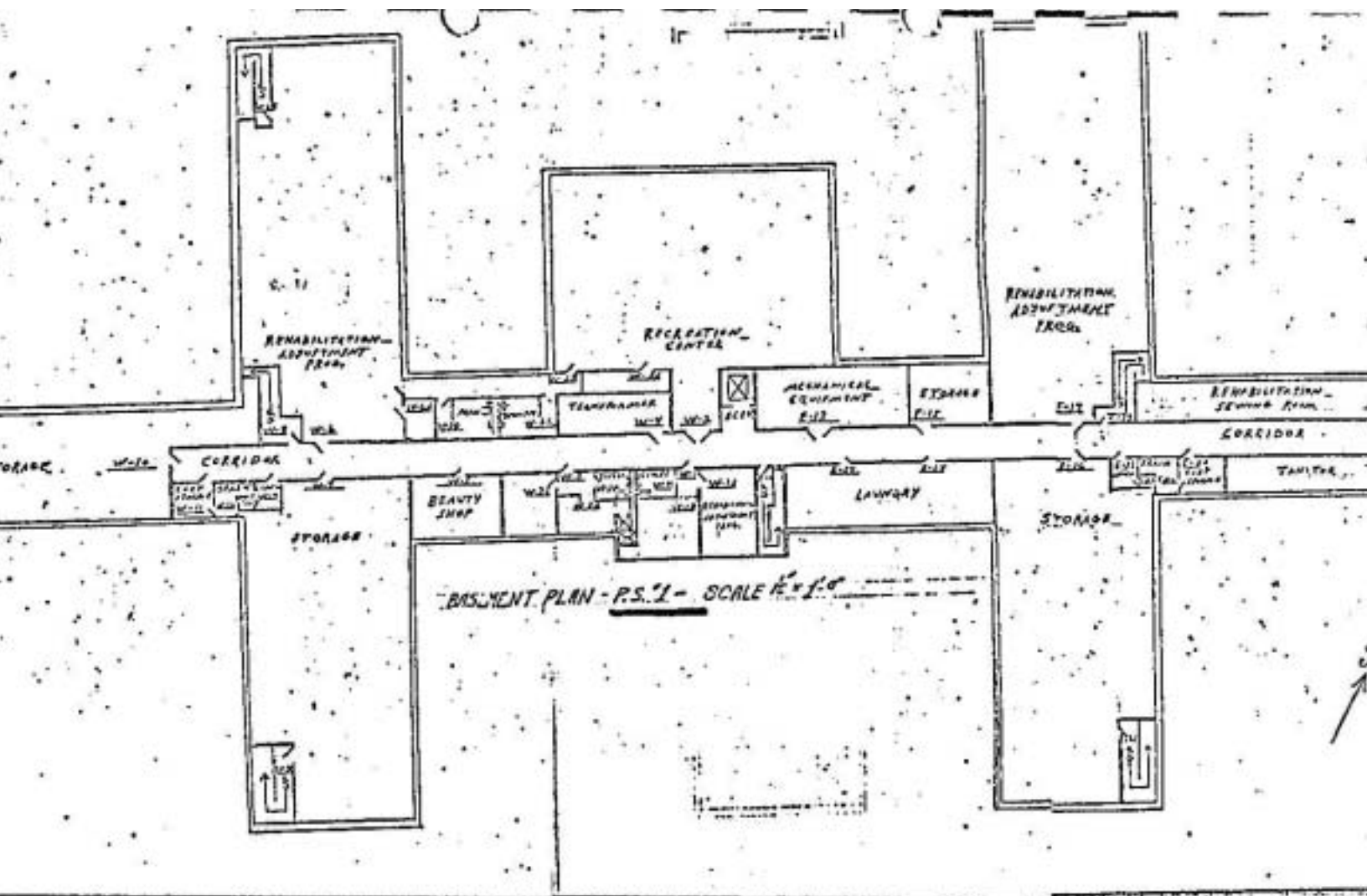
A handwritten signature in dark ink, appearing to read "Donald J. Wees", with a stylized, flowing script.

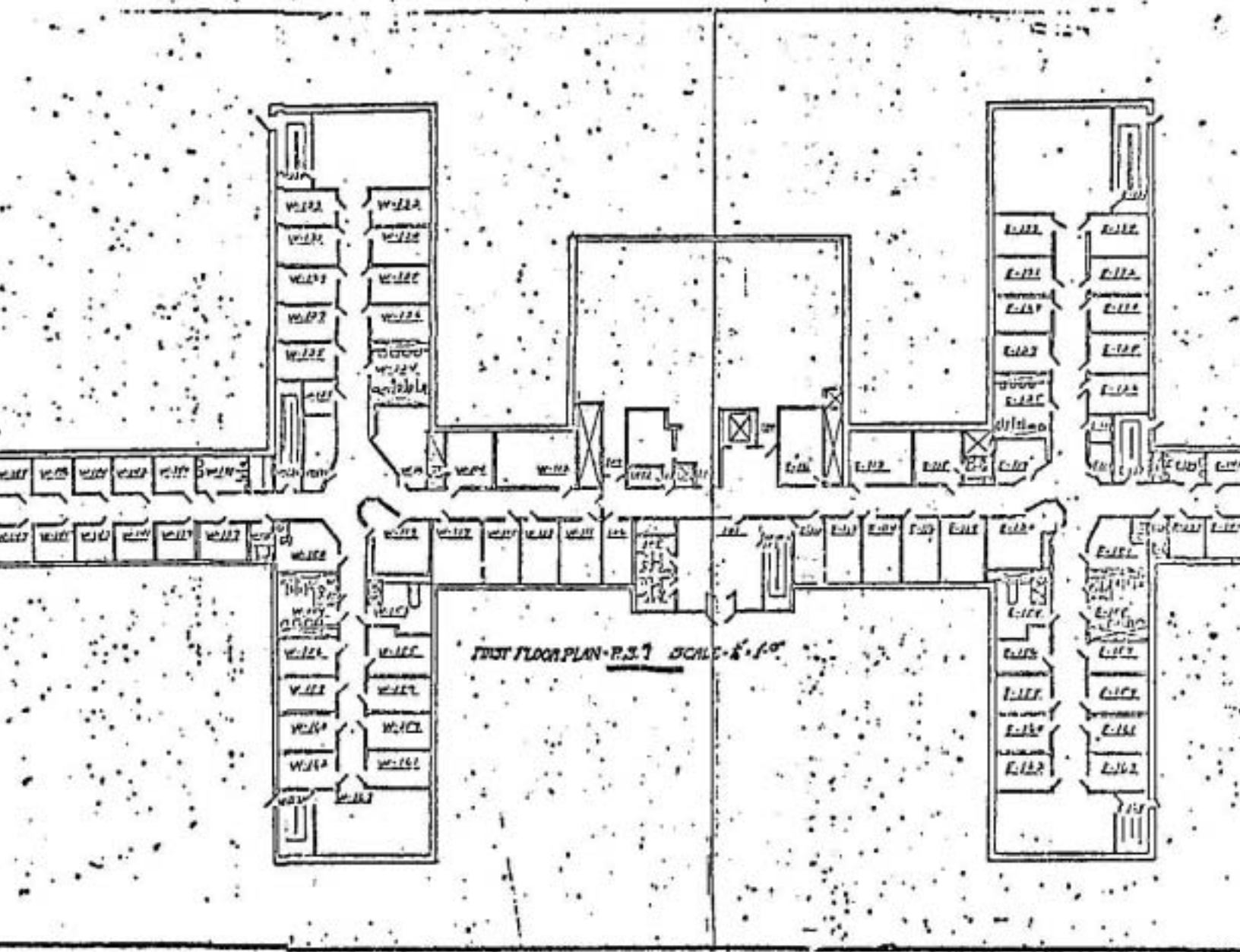
Donald J. Wees  
Building Official

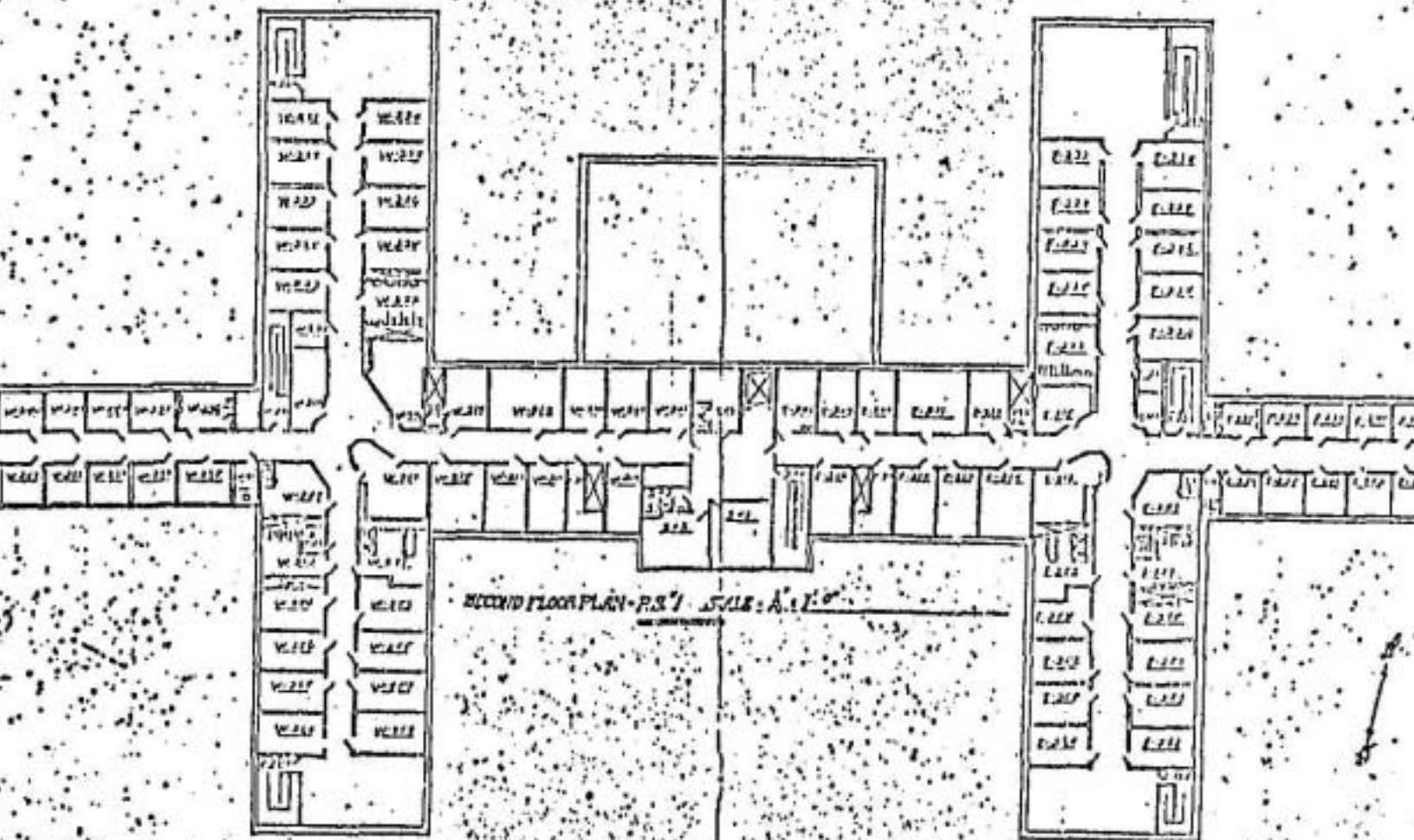
cc: Sheila Kiscaden, Coordinator

# PLOT PLAN, ROCHESTER STATE HOSPITAL

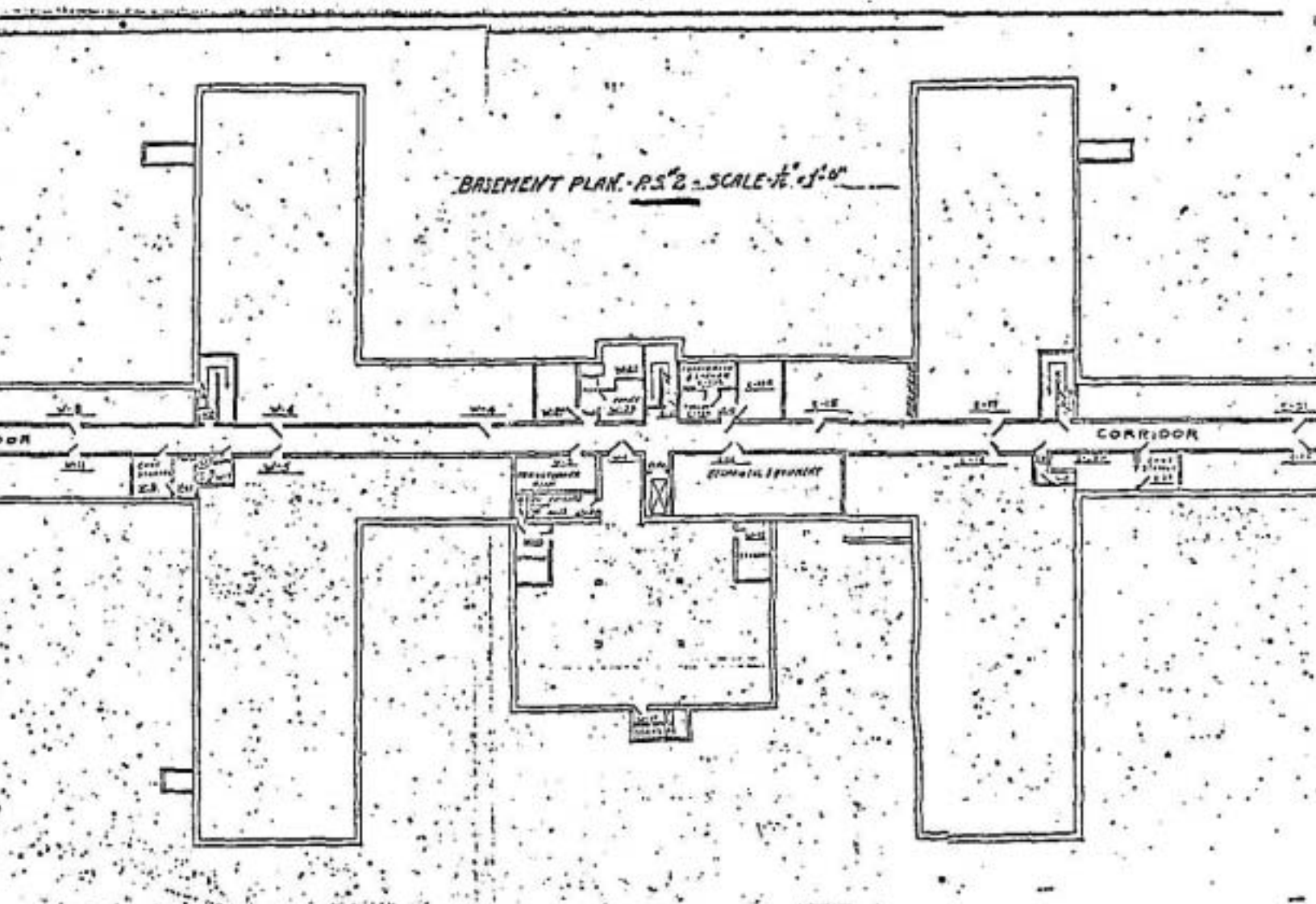


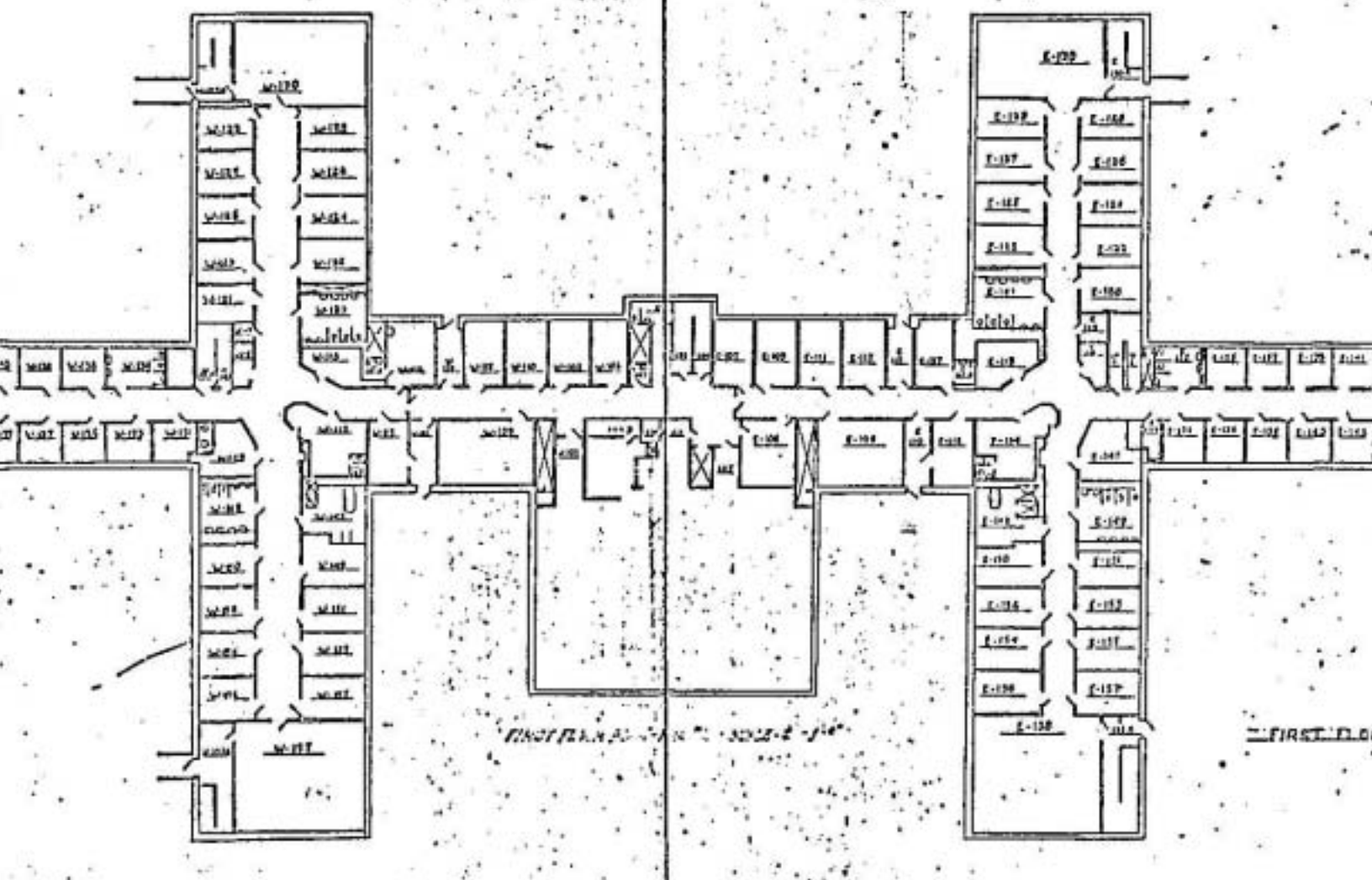


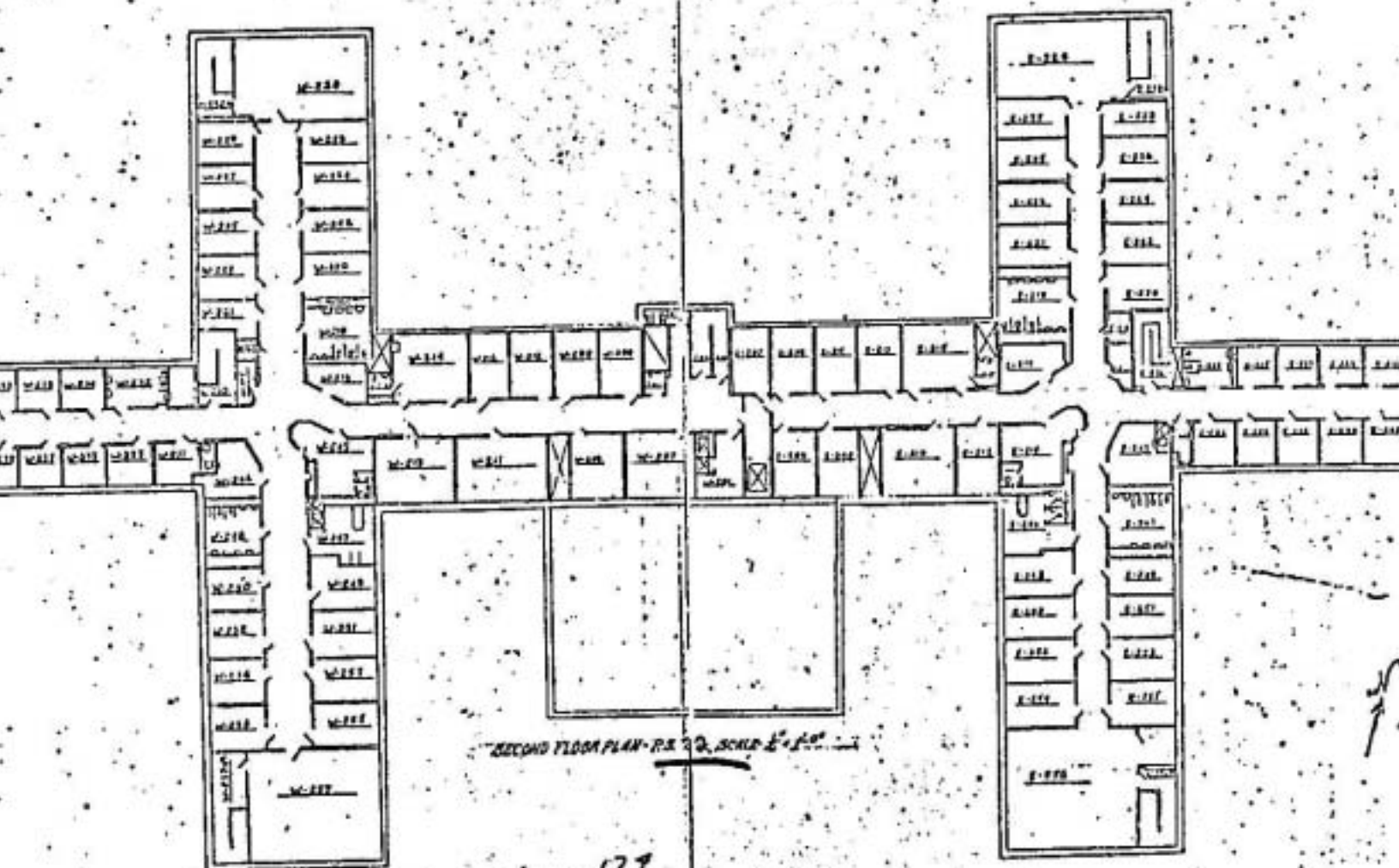




BASEMENT PLAN - P.S. 2 - SCALE  $\frac{1}{8"} = 1'-0"$

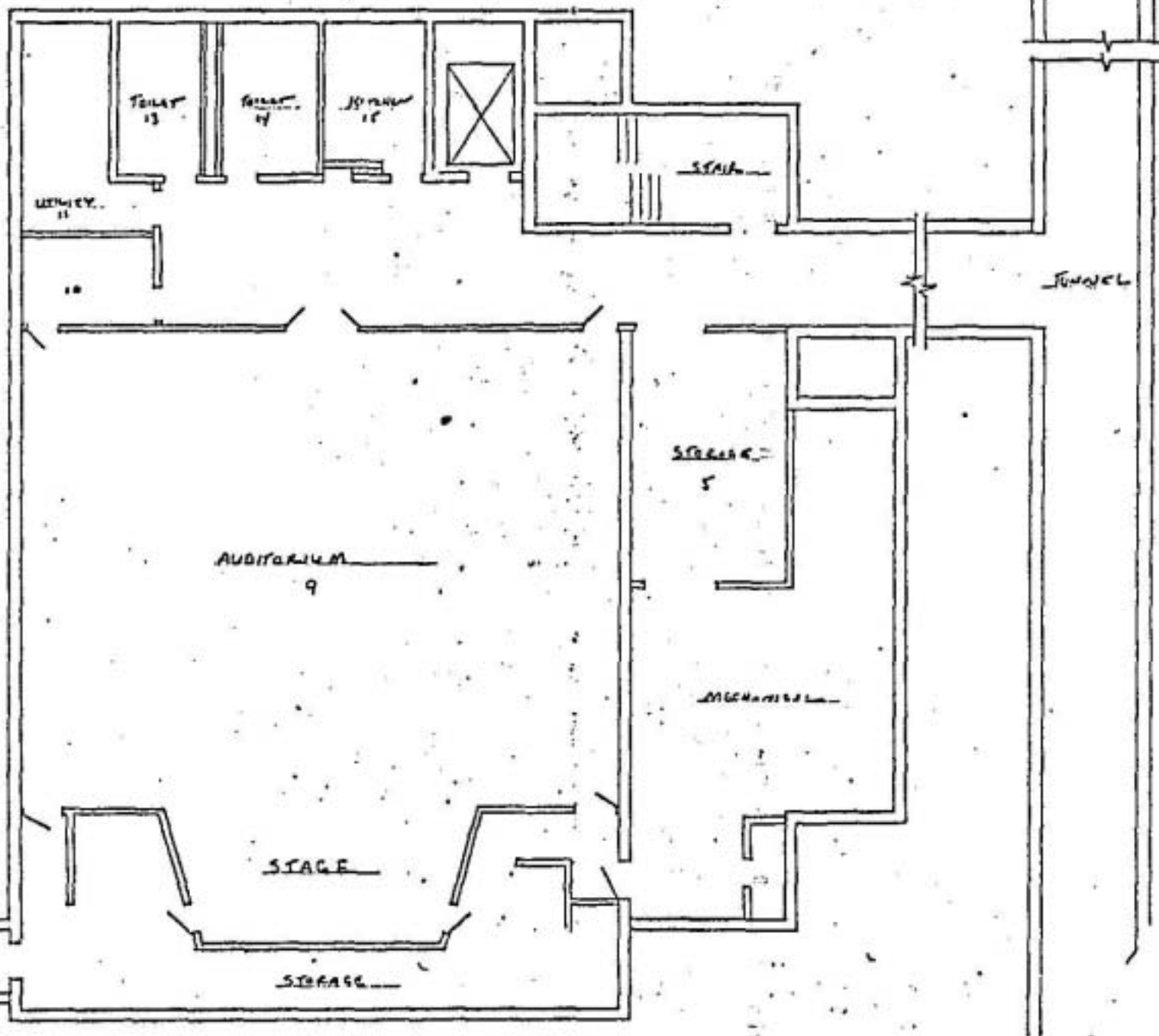


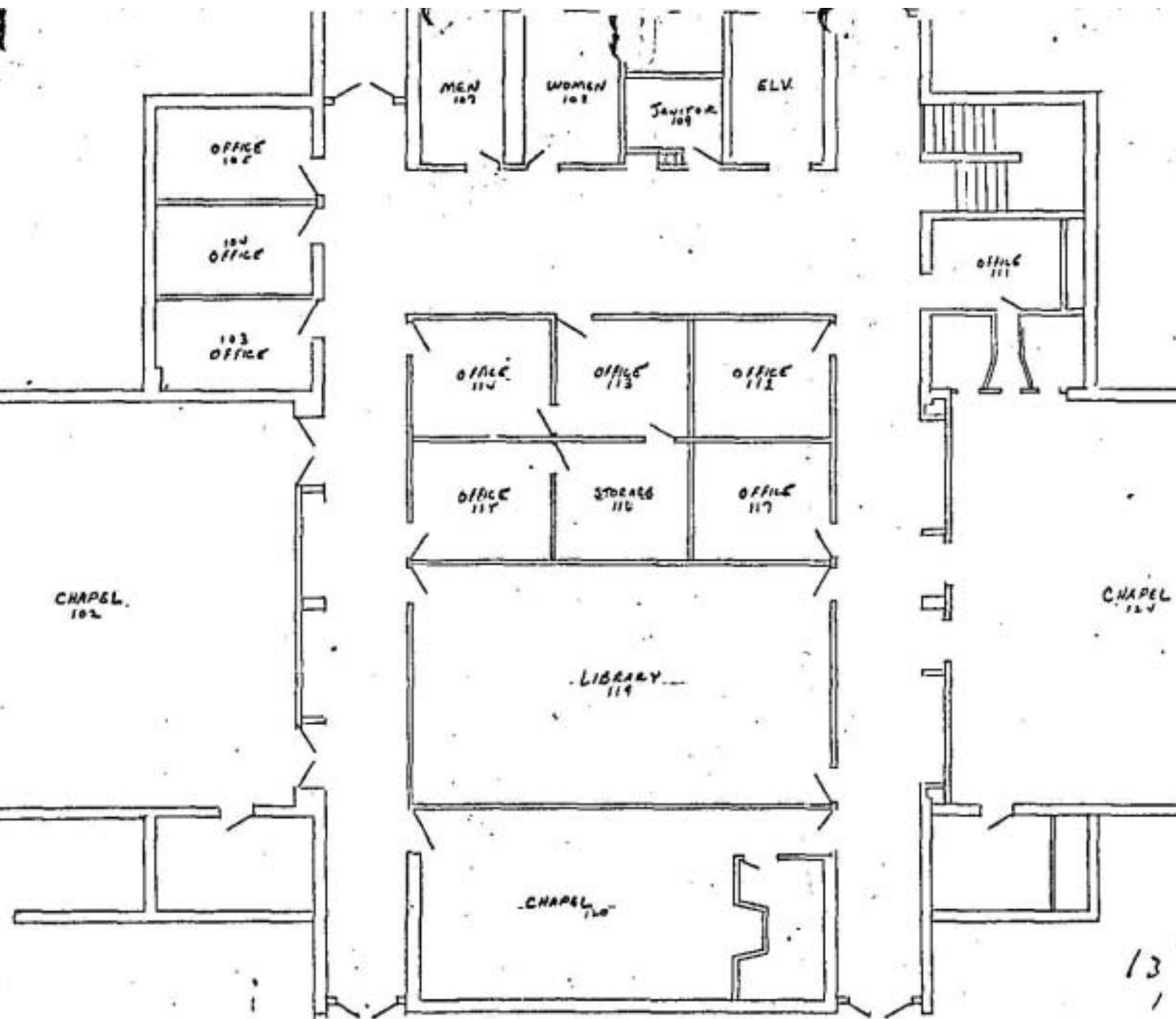




SECOND FLOOR PLAN - RS 22, SCALE 1/4"

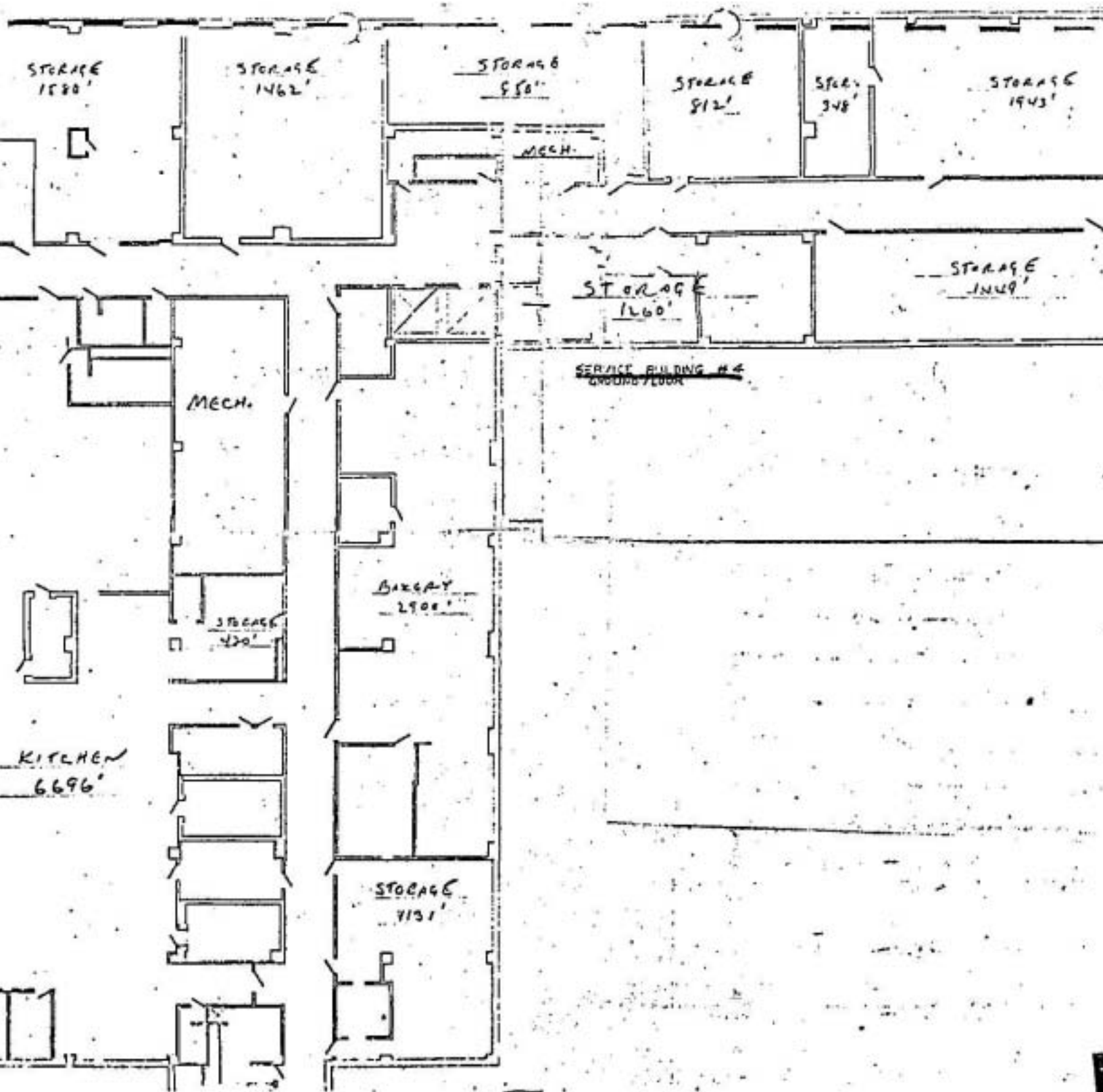
Total Bros 177  
90, 835 F

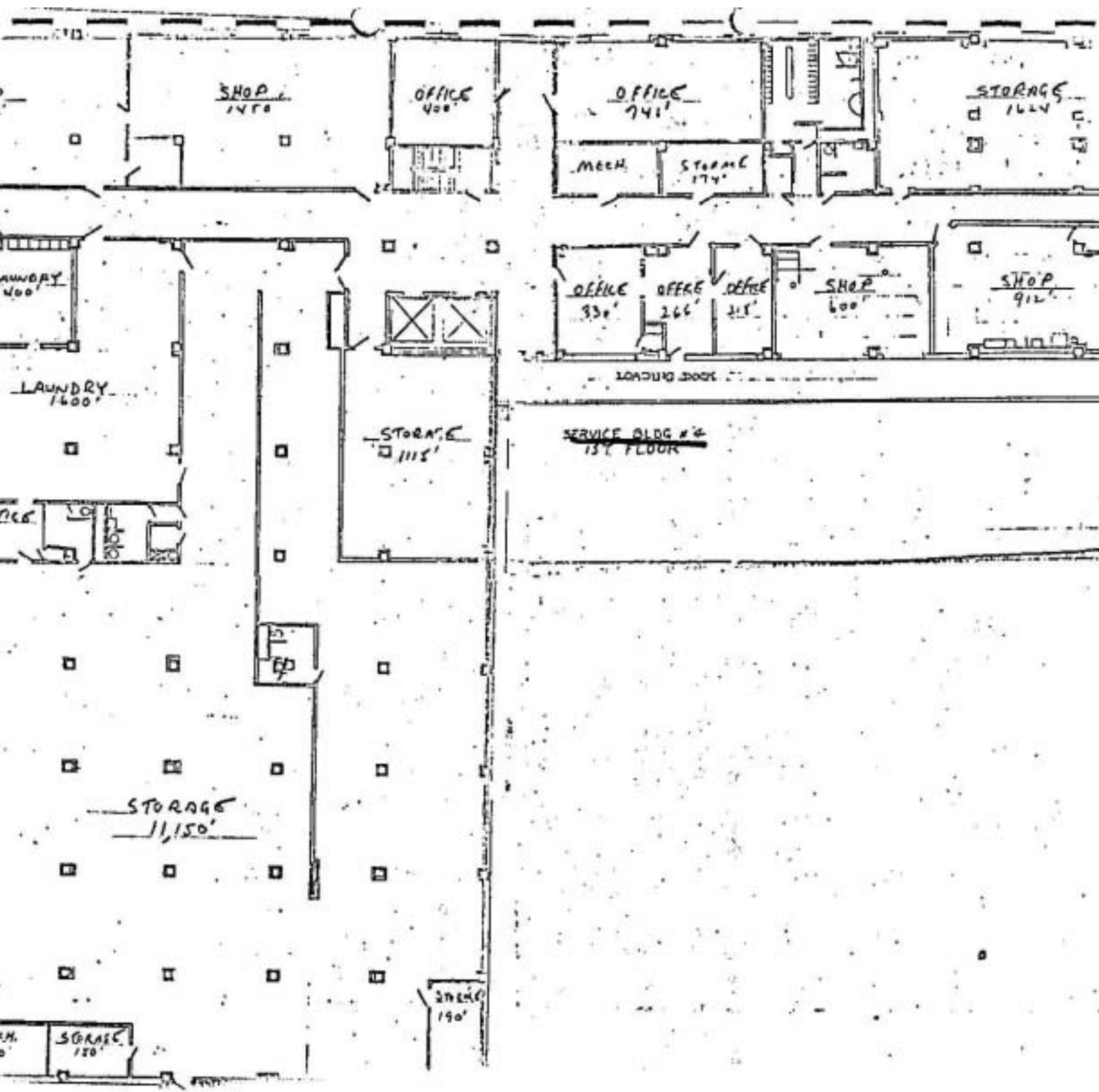




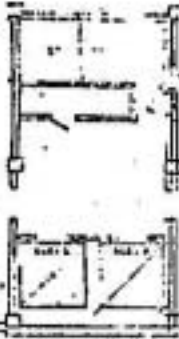
FLOOR PLAN #3

13





STORAGE  
14,820'



THIRD FLOOR

SHOP  
1520'

OFFICE  
560'

OFFICE  
302'

MECH.  
1640'

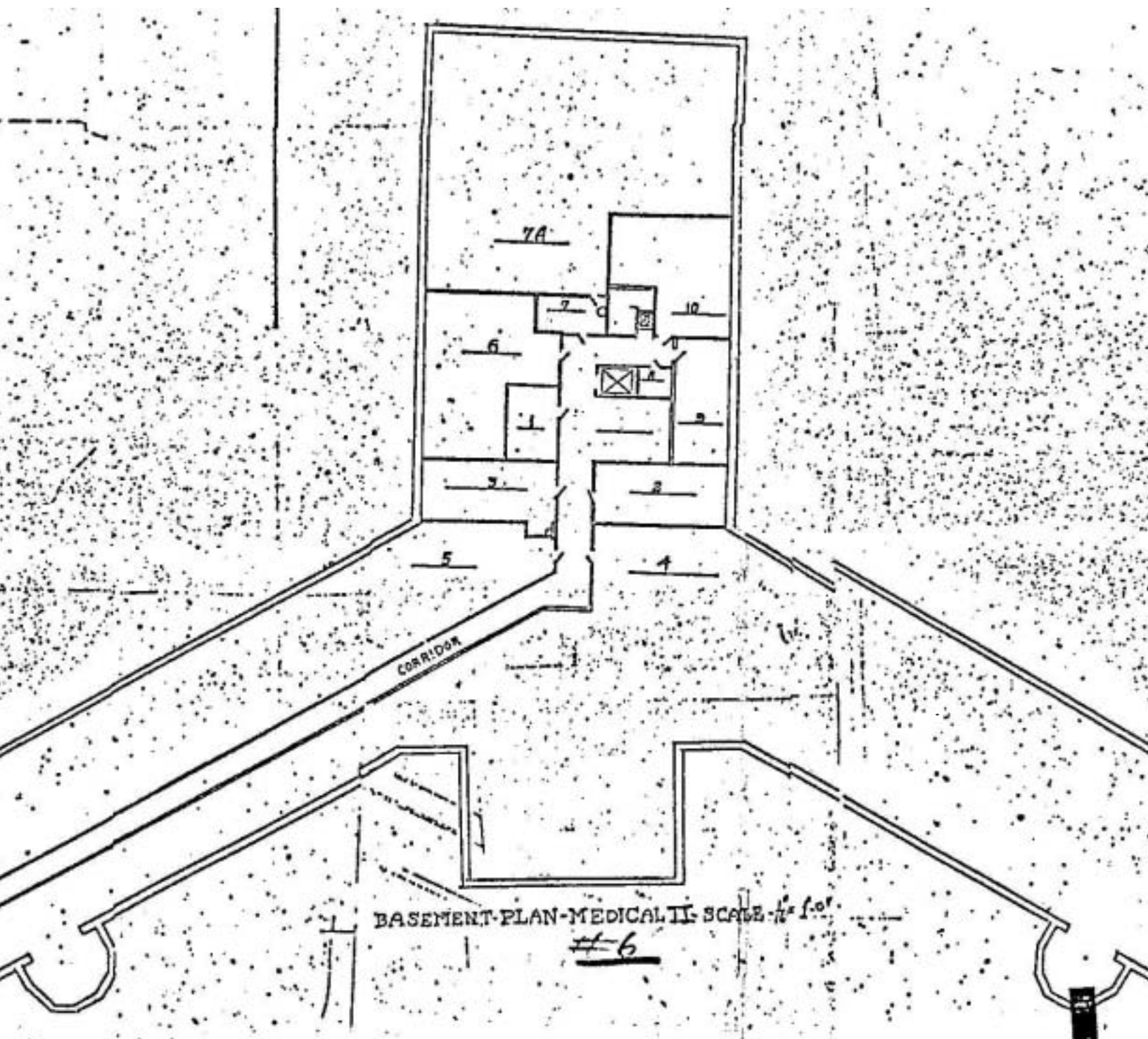
ELEVATORS

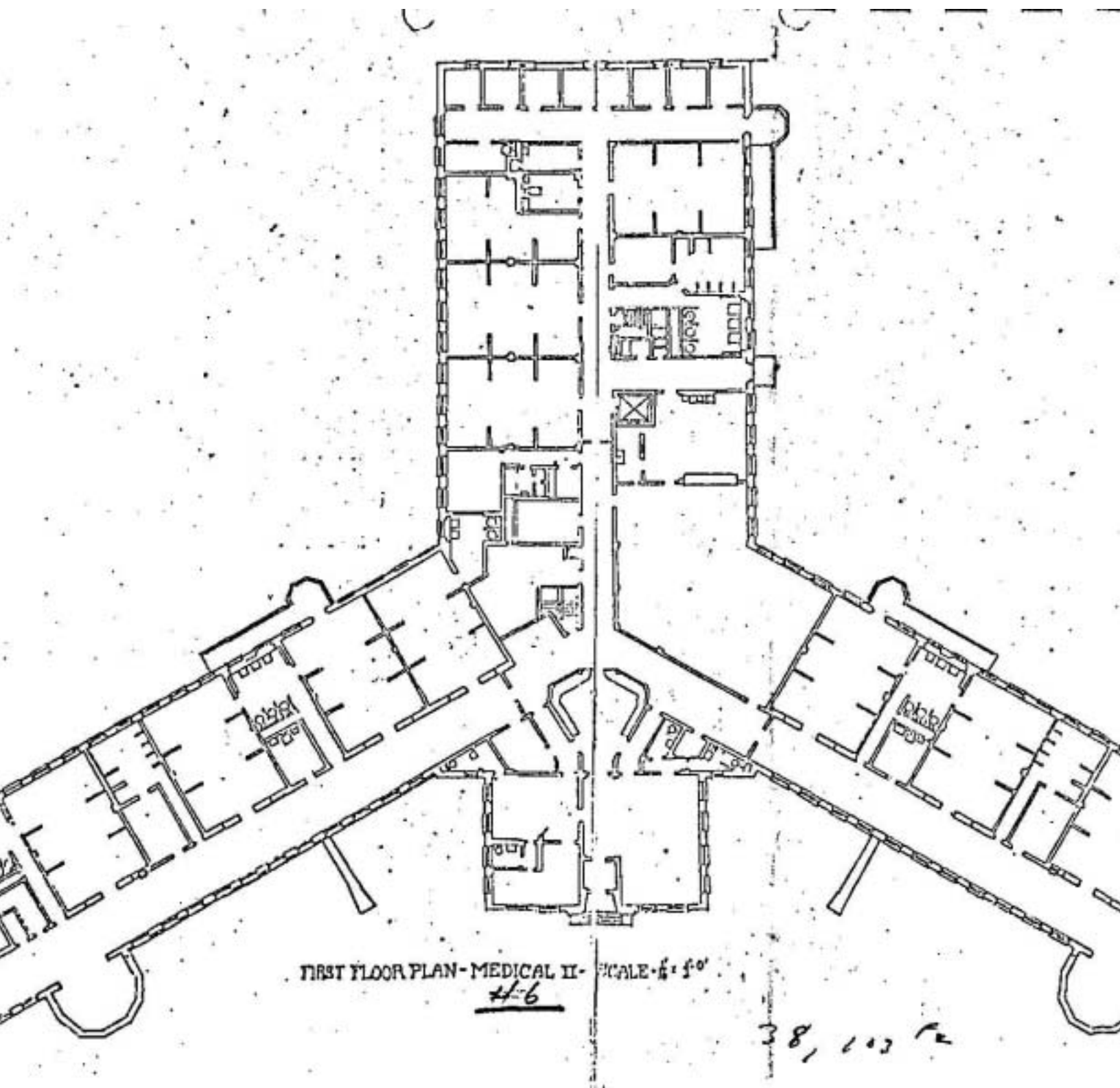
STORAGE  
9400'

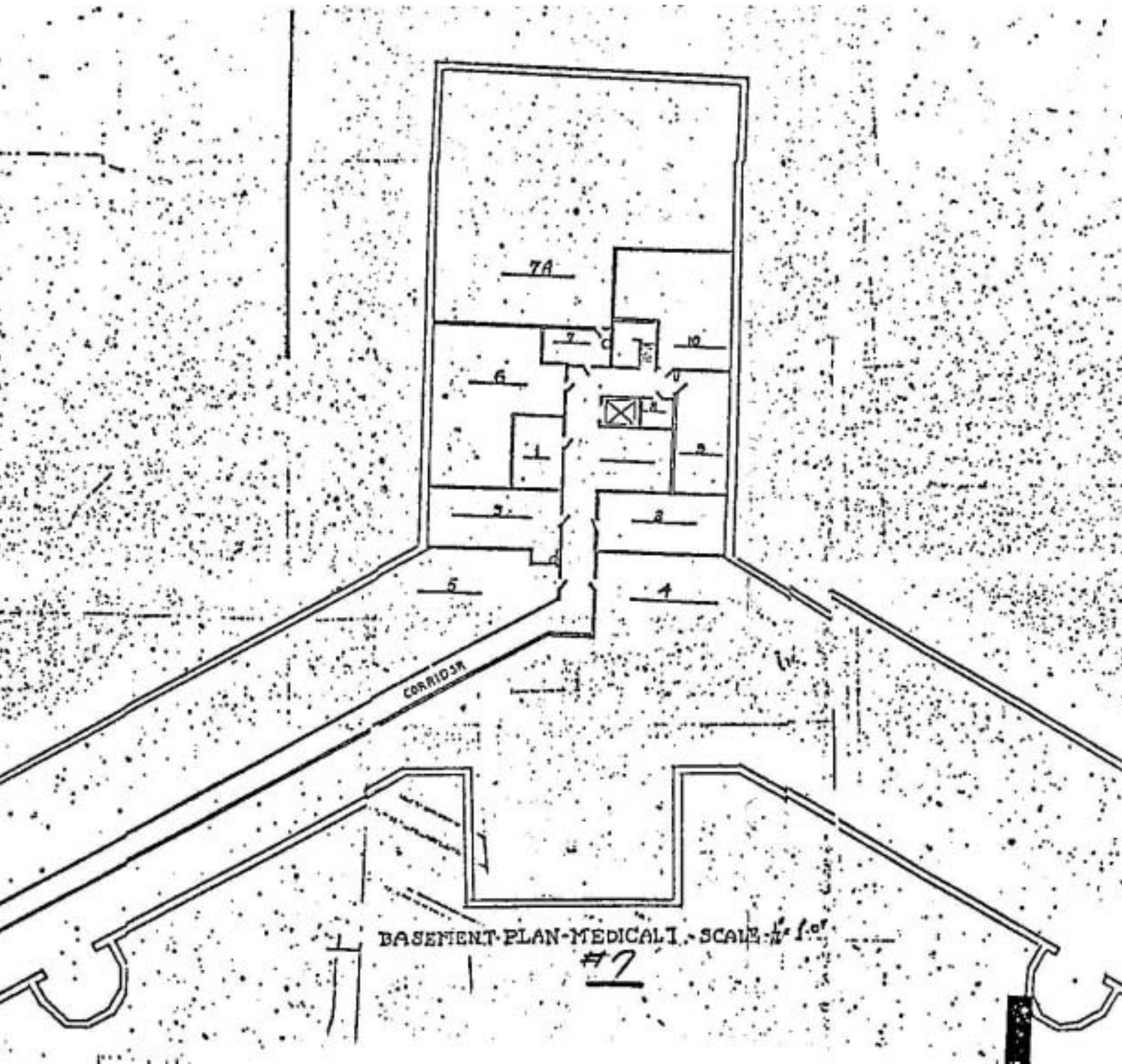
#4

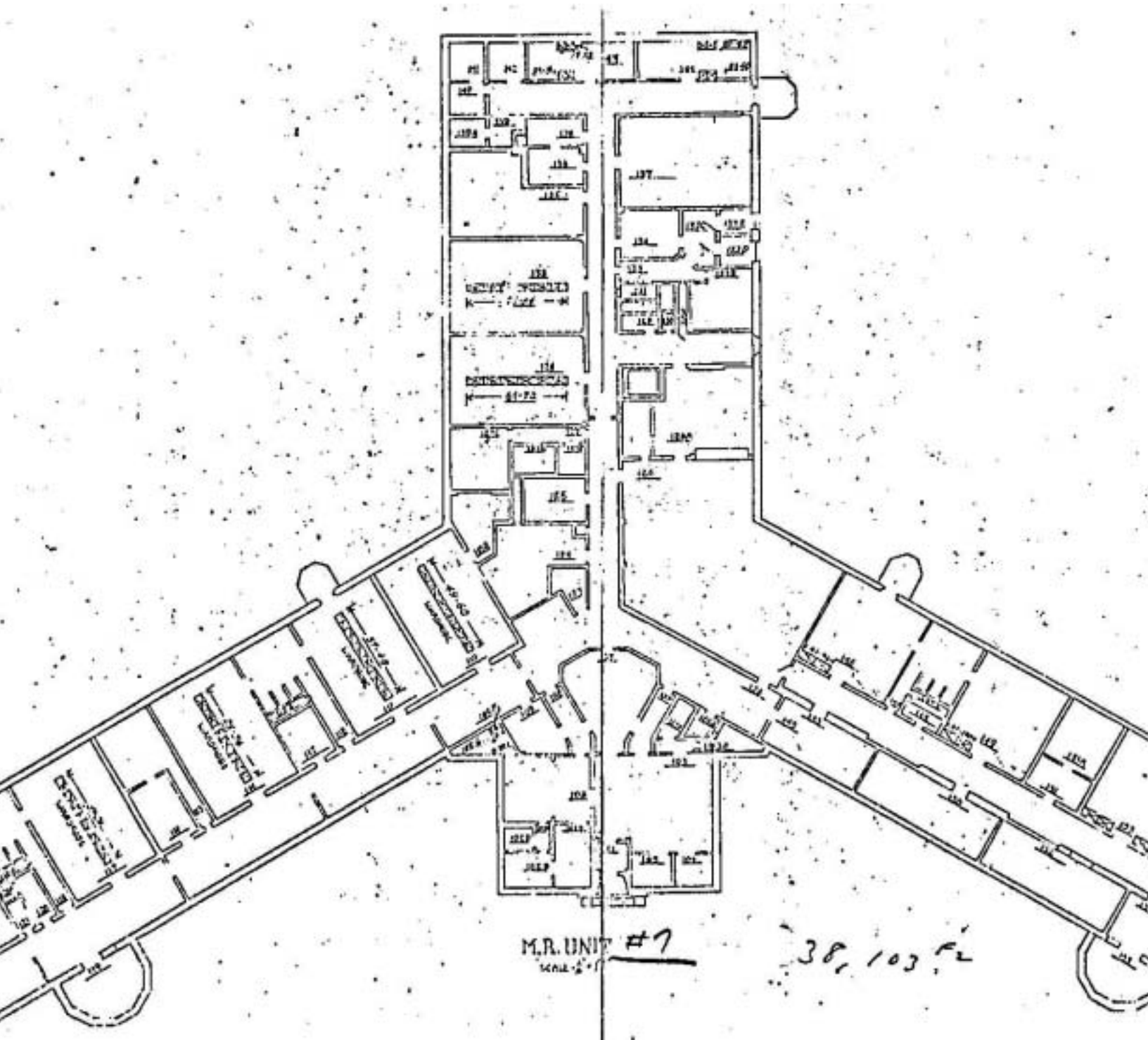
SECOND FLOOR

98,228 F<sub>2</sub>



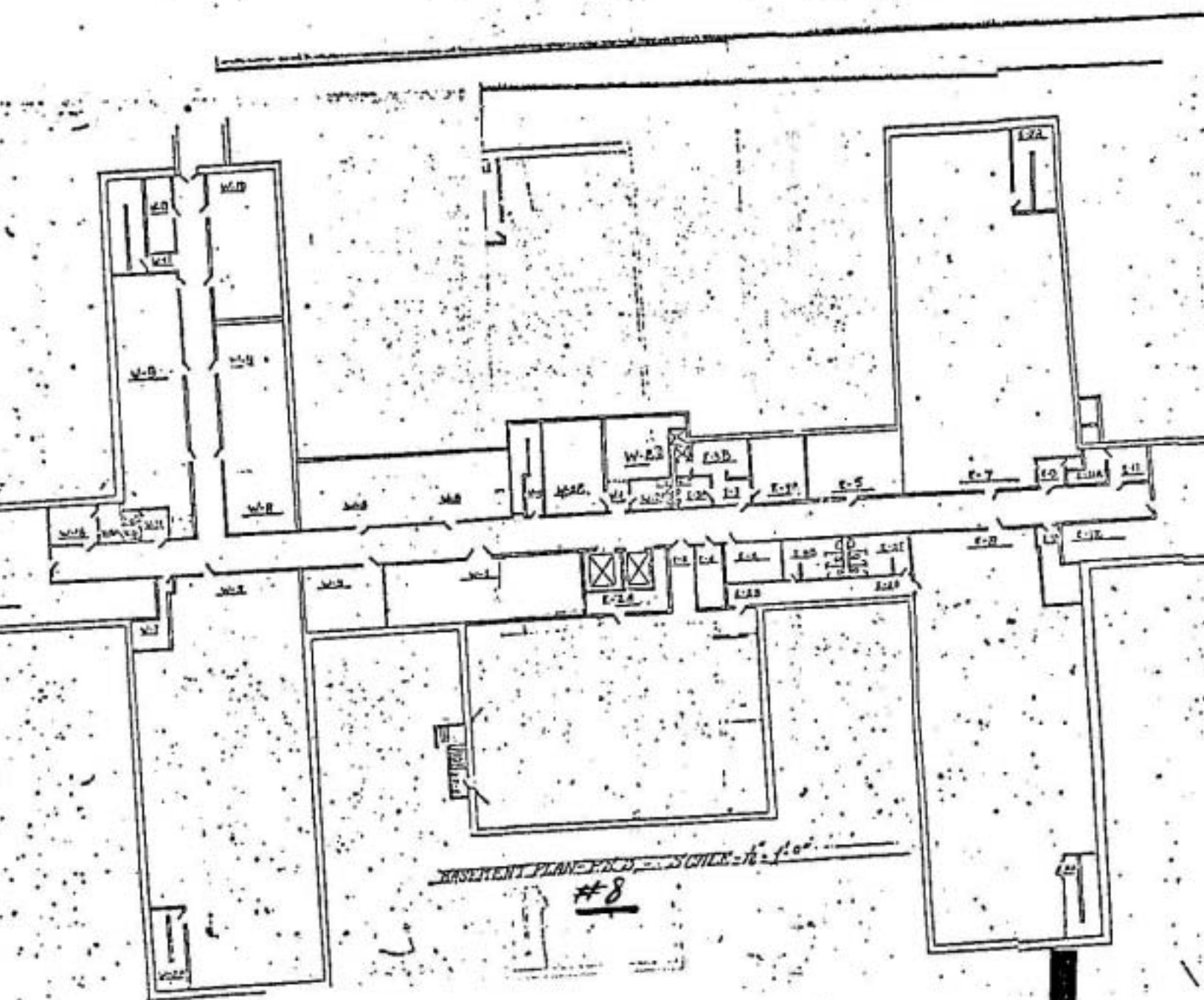


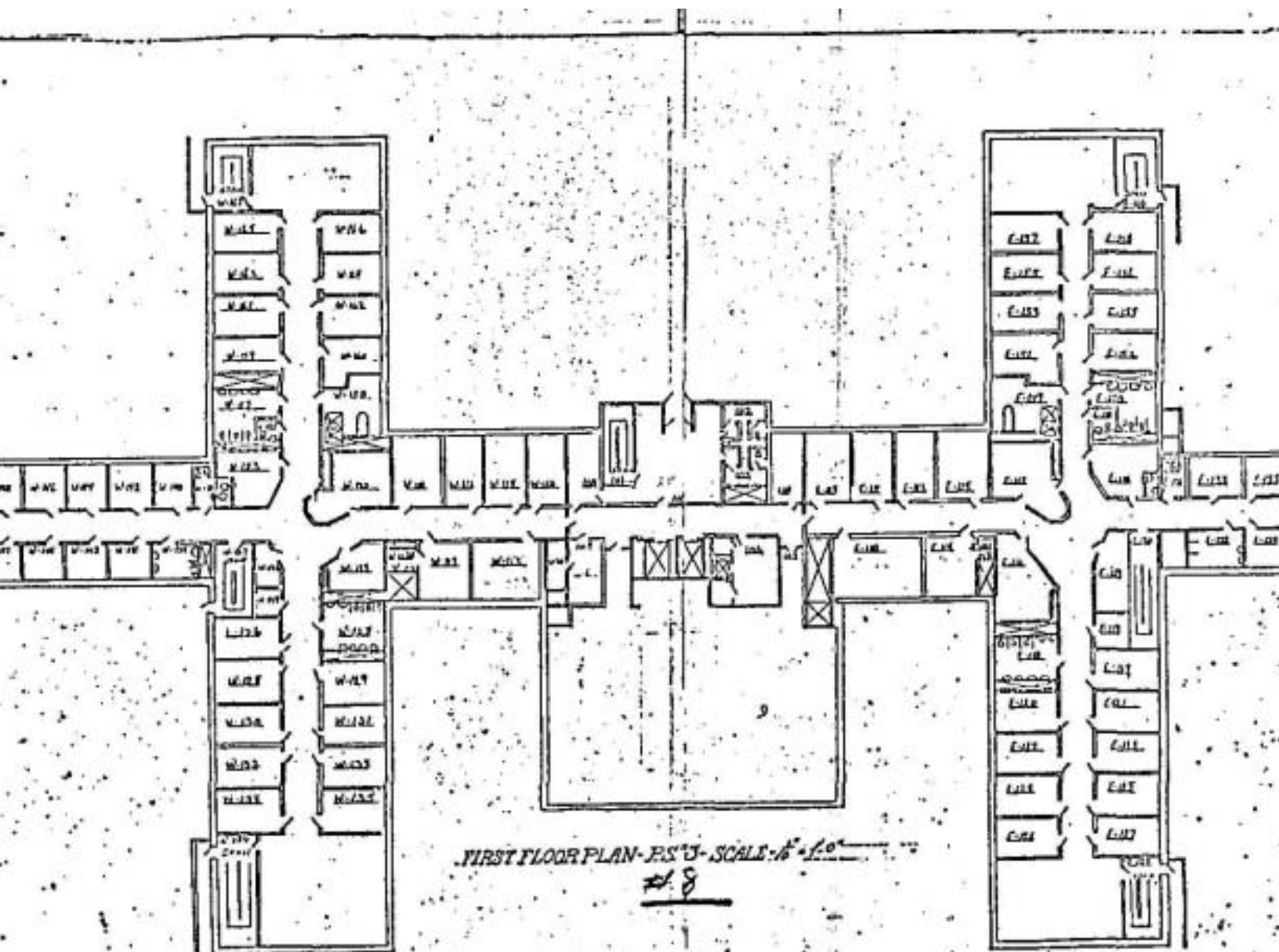


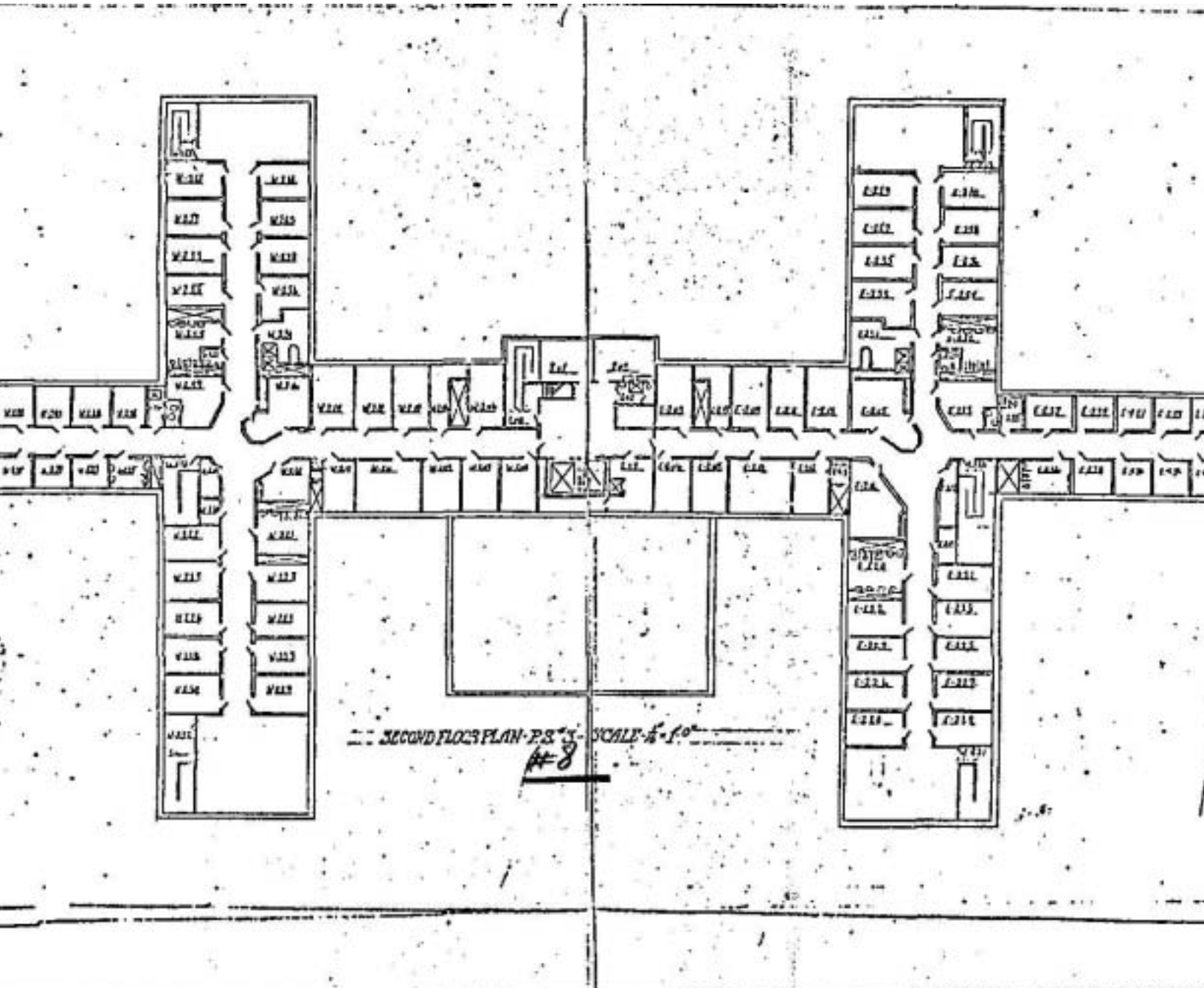


M.R. UNIT #7

38, 103

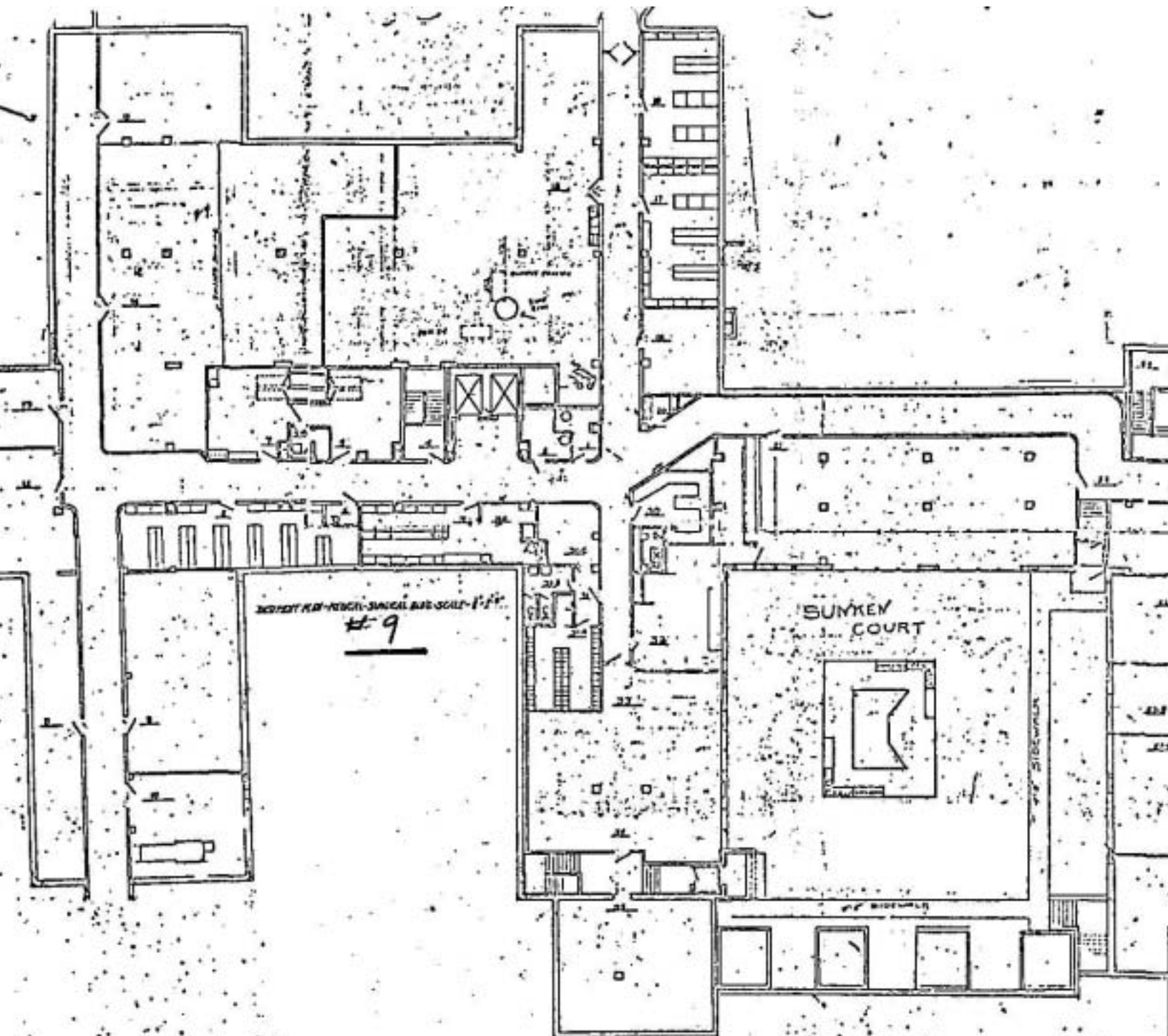


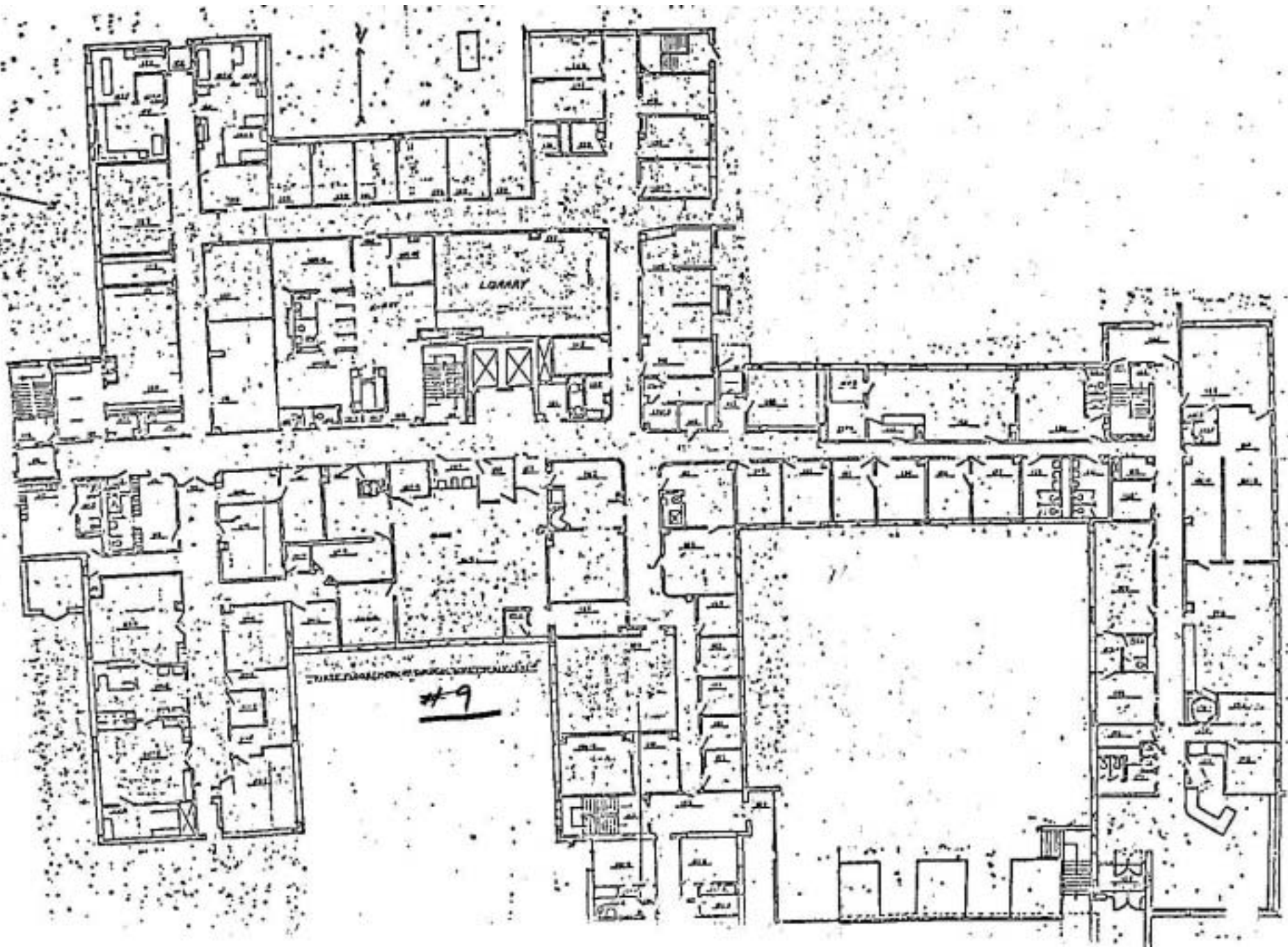


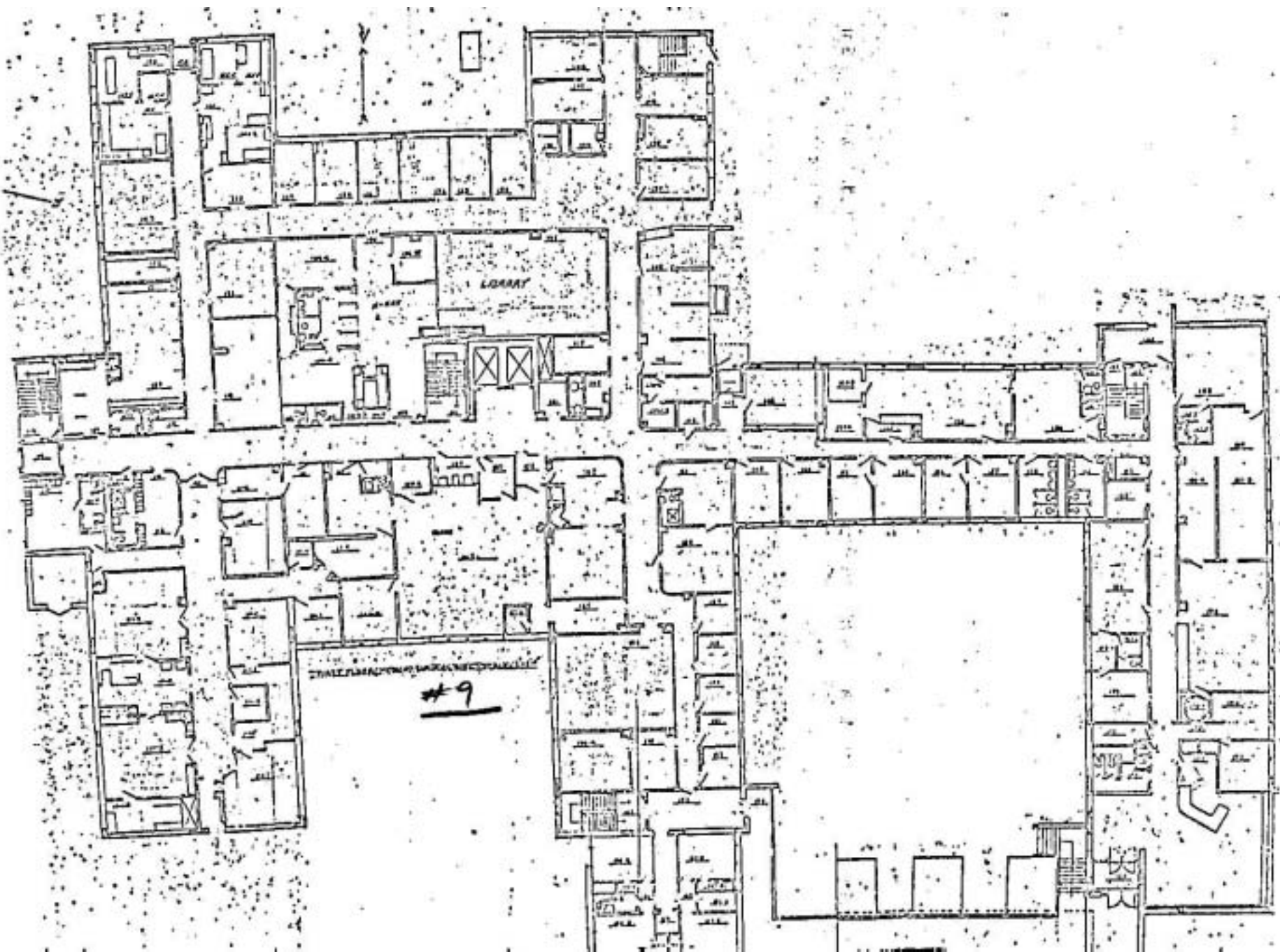


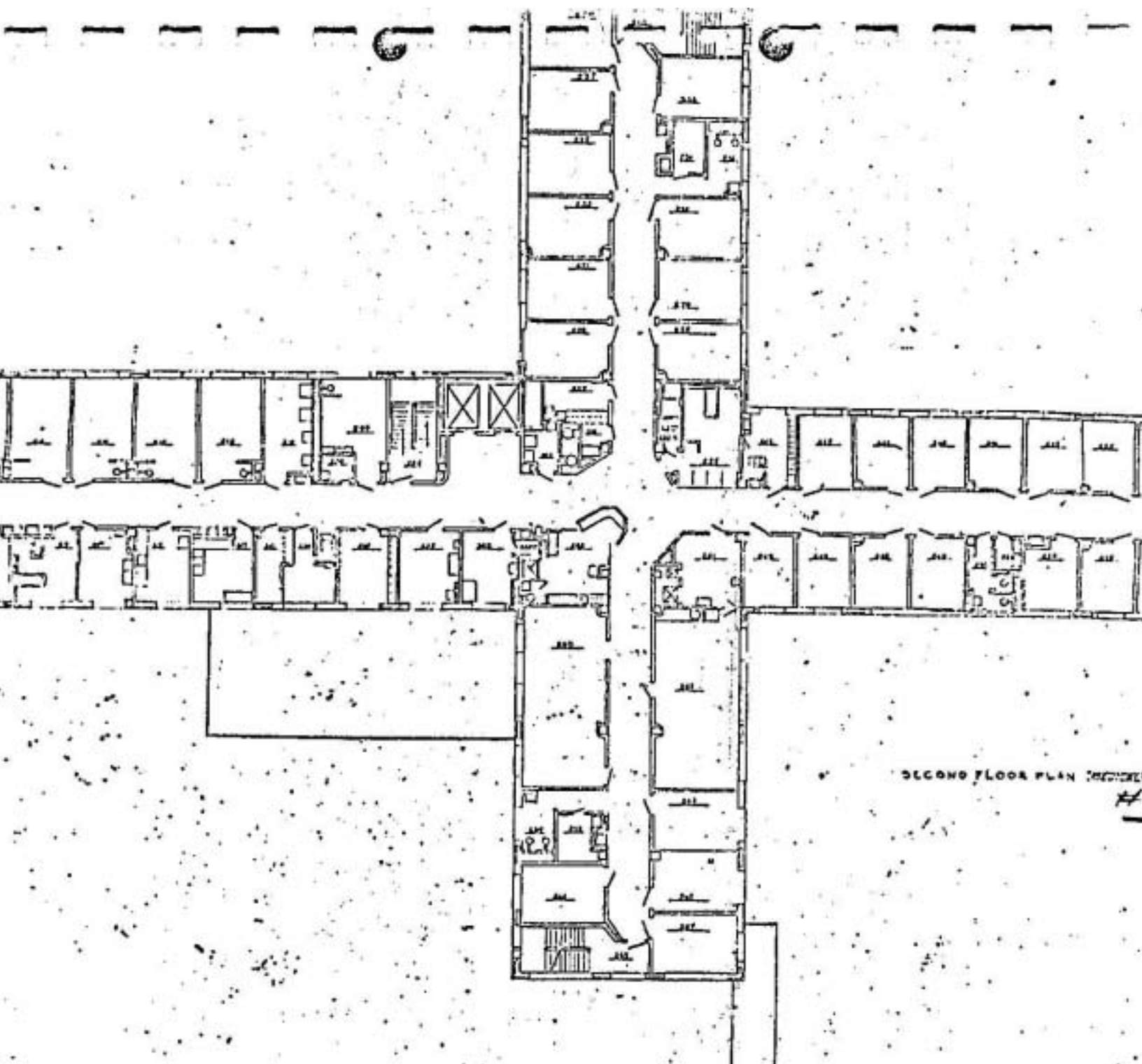
Total Bros 125

90,178 ft

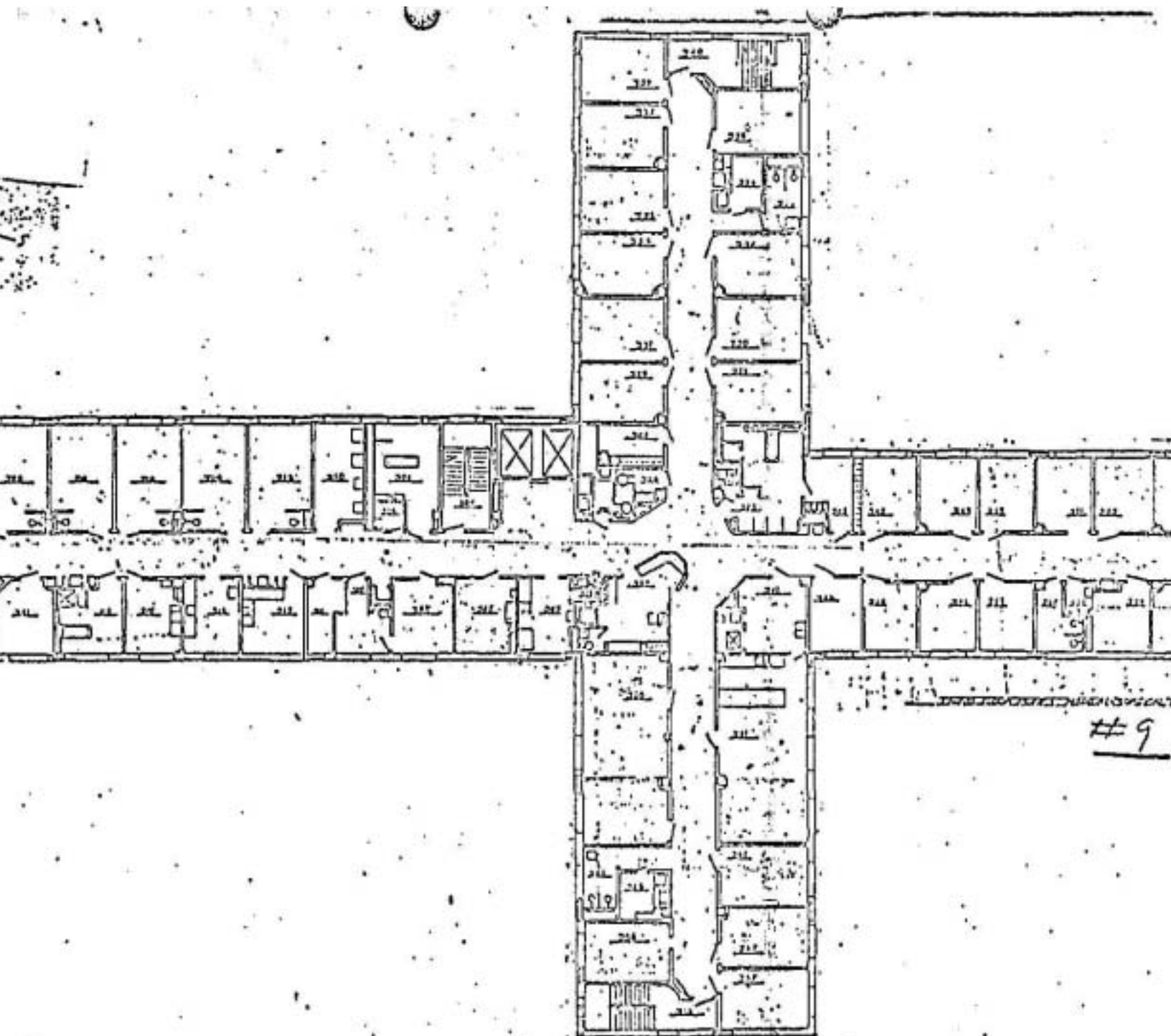






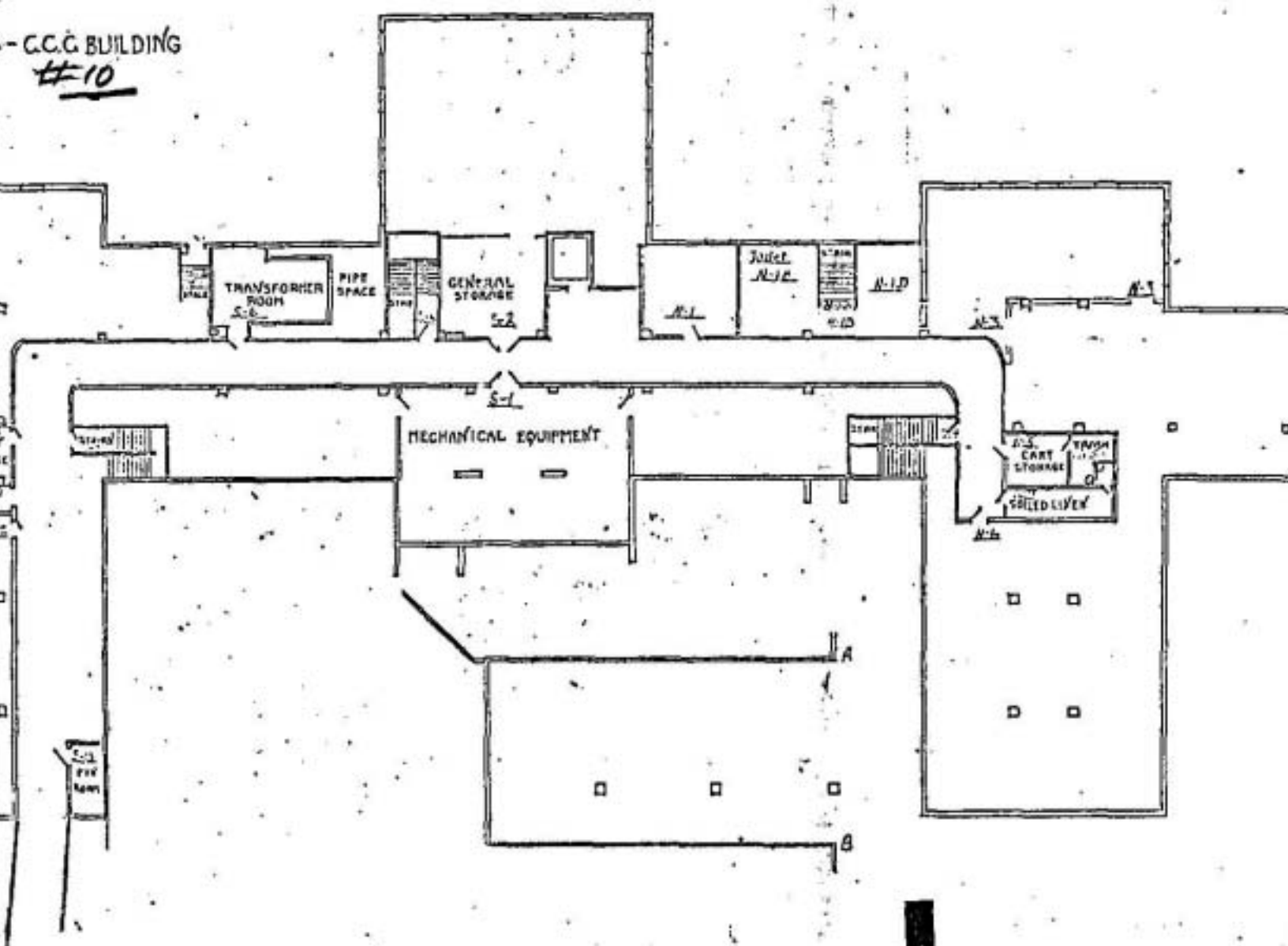


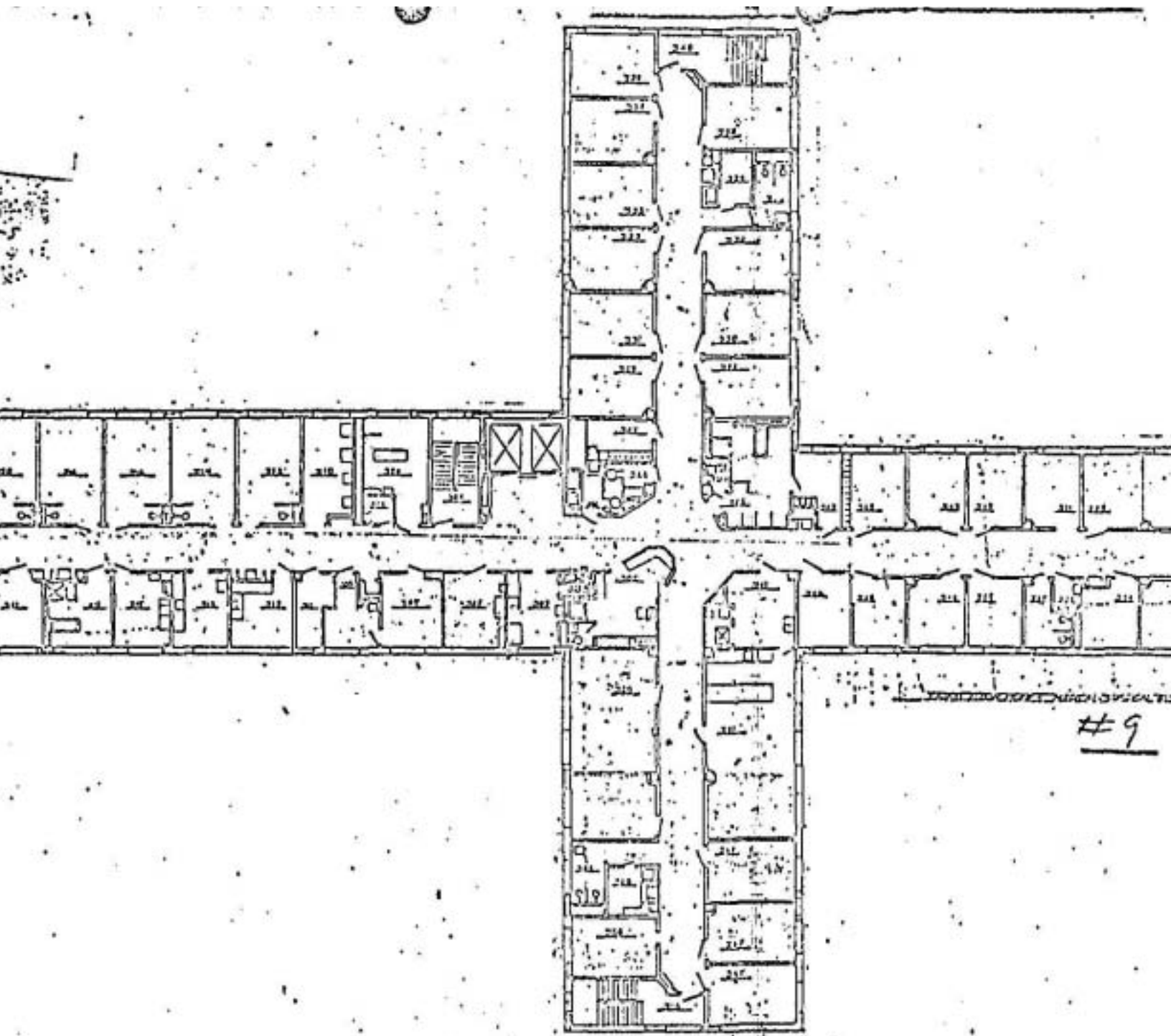
SECOND FLOOR PLAN (REVERSE)



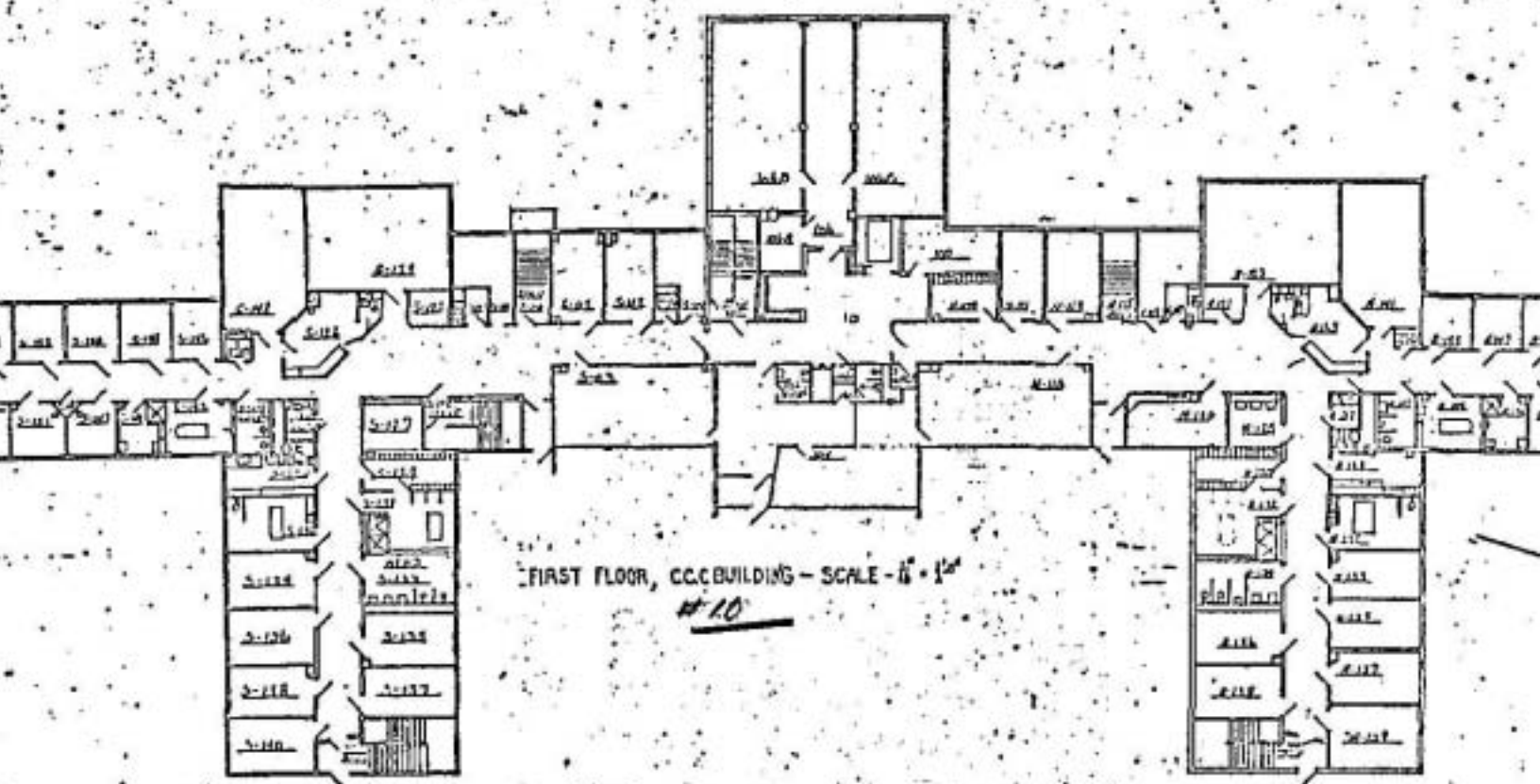
#9

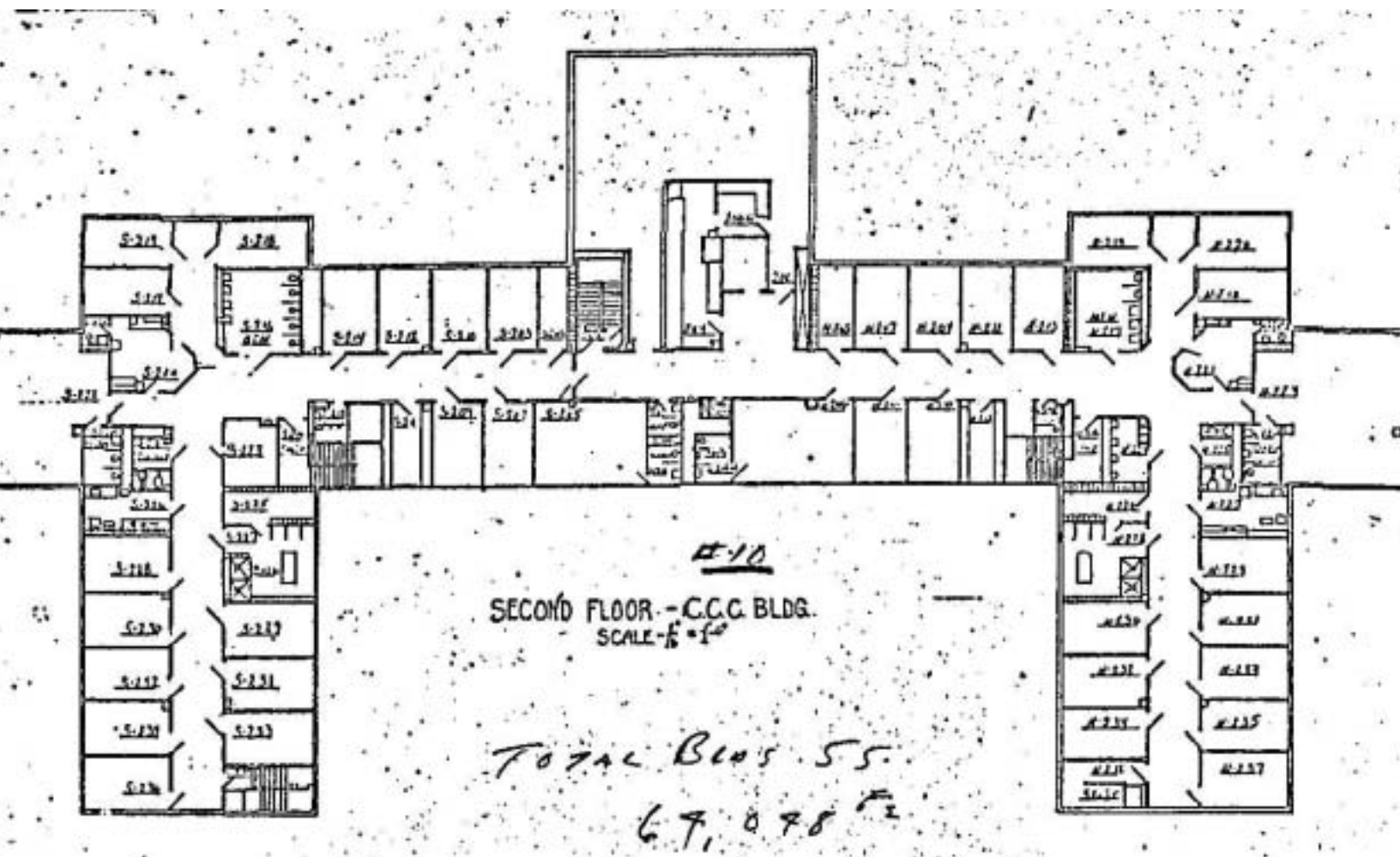
- C.C.G. BUILDING  
#10





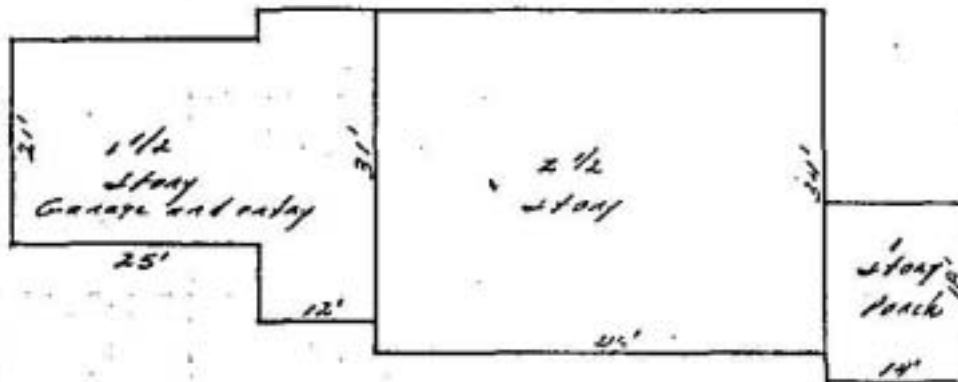
#9





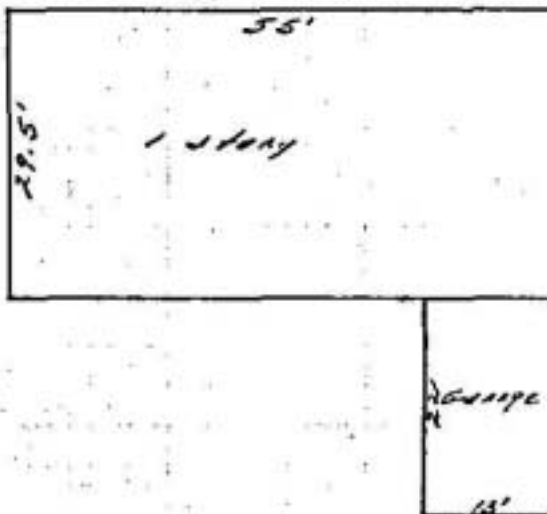
# Residential Homes

## Administrators Home



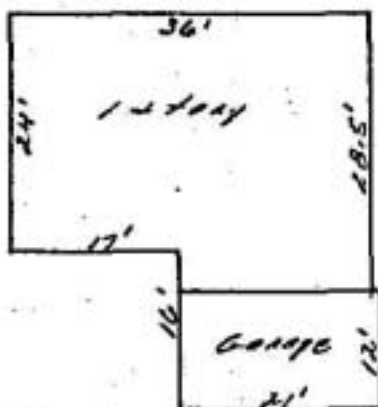
Gross Floor Area  
4,936 S.F.

## Assistant Admin. Home



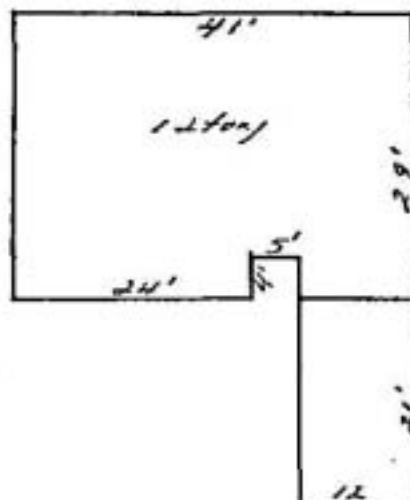
Gross Floor Area  
3,531 S.F.

## 1608 & 1610 Homes



Gross Floor Area  
2169 S.F. (2 each)

## 1604-1612-1614 & 1616 Homes



Gross Floor Area  
2580 S.F. (4 each)

Total Gross Floor Area - 22,985 S.F.

## ASSUMPTIONS AND LIMITING CONDITIONS

### IDENTIFICATION OF THE PROPERTY:

The legal description given to the appraiser is presumed to be correct. No opinion of a legal nature, such as to ownership of the property or condition of title is rendered. The appraiser assumes the title to the property to be marketable; that the property is an unencumbered fee; and that the property does not exist in violation of any applicable codes, ordinances, statutes or other governmental regulations unless stated in the appraisal report.

### UNAPPARENT CONDITIONS:

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such things.

### INFORMATION AND DATA:

The information and data supplied to the appraiser by others, and which have been considered in the valuation, are from sources believed to be reliable, but no further responsibility is assumed for their accuracy.

### DISCLOSURE AND USE:

Disclosure of the contents of this appraisal report is governed by the By Laws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the M.A.I., or R.M. designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

### DISTRIBUTION OF VALUE:

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

### SKETCHES AND MAPS:

Sketches in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

COURT TESTIMONY:

Testimony or attendance in court by reason of this appraisal, with reference to the property in question, shall not be required, unless arrangements have previously been made.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
2. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report.
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.
6. The herein described property has been personally inspected by

William A. Lushman

7. No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.

"The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. M.A.I.'s and R.M.'s who meet the minimum standards of this program are awarded periodic educational certification."

"I am certified under this program through January 31, 1983."

William A. Lushman

11/28/81

Date

APPRAISAL QUALIFICATIONS OF WILLIAM H. CUSHMAN

Education:

Graduated from the University of Minnesota in 1956 with a Bachelor of Science Degree in Forestry

Attended and successfully completed the American Institute of Real Estate Appraisers Courses I, II, III and V, and a Real Estate Law Course at the University of Minnesota. In addition, many real estate seminars have been attended as well as continuing education courses as required by the Institute.

Experience:

United States Army 1956-1958.  
Real Estate sales 1958-1961 Overman and Company, Duluth, Minnesota  
Staff appraiser for Bureau of Sport Fisheries and Wildlife, United States  
Department of Interior, from May of 1961 through November of 1966 Chief  
of the appraisal section, Bureau of Sport Fisheries and Wildlife,  
Midwest Region, from November 1966 through June of 1969.  
Vice President and appraiser for Gordon Elmquist & Associates, Inc. from  
June of 1969 through April, 1981.

Appraisals have been made for the following agencies:

Numerous Private Clients The Bureau  
of Sport Fisheries and Wildlife The Bureau of  
Outdoor Recreation Conservation Departments for the  
States of:

|          |              |              |
|----------|--------------|--------------|
| Iowa     | Minnesota    | Ohio         |
| Indiana  | Missouri     | South Dakota |
| Illinois | Nebraska     | Wisconsin    |
| Michigan | North Dakota |              |

Northern States Power Company  
Housing and Redevelopment Authority, City of St. Paul  
United States Department of Justice Bureau of Indian  
Affairs

### Specific Types of Appraisals other than Residential:

All types of Industrial, Commercial and Residential properties.  
Rural lands to be acquired for park and recreation  
Indian Treaty lands - Michigan, North Dakota, South Dakota, Montana  
(historical in nature)  
National Park lands - Minnesota and  
Wisconsin Abandoned Railroad Rights-  
of-Way

Membership:

American Institute of Real Estate Appraisers  
(M.A.I. #5392) Minnesota Association of Realtors

General:

Qualified to testify and have testified in courts as expert real estate appraiser Licensed Real Estate Salesman, State of Minnesota